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Alternative frameworks for improving government organizational performance: a comparative analysis

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ALTERNATIVE FRAMEWORKS FOR IMPROVING GOVERNMENT ORGANIZATIONAL PERFORMANCE: A COMPARATIVE ANALYSIS

by

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ALTERNATIVE FRAMEWORKS FOR IMPROVING GOVERNMENT ORGANIZATIONAL PERFORMANCE: A COMPARATIVE ANALYSIS

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ABSTRACT

Complex government bureaus and their managers struggling to adapt to major changes find they are faced with alternative frameworks to improve organizational performance. Six major frameworks emerging in the U.S. since 1980, applicable to the public sector, and designed to enhance organizational change toward improved performance are reviewed and analyzed: Total Quality; "Excellence;" Reinvention, including the National Performance Review; the Government Performance and Results Act of 1993; the Baldrige Award; and Reengineering. The purpose of the thesis is to provide guidelines to assist public managers in organizational change toward improved performance by analyzing the frameworks based on four criteria: workable in a political, pluralistic environment; realistic given constraints; comprehensive from a systems perspective; and capable of providing explicit measures of organizational performance.

TABLE OF CONTENTS

I. INTRODUCTION

A. THE RESEARCH PROBLEM AND PURPOSE

Public managers need guidance to help them launch change to improve organizational performance. There are approximately six major frameworks that have emerged in the U.S. since 1980 which contain various recommendations on how to improve performance. **The problem is that there is confusion on which framework to use.** The frameworks, which will be discussed in detail in Chapter III are: (1) total quality; (2) "excellence;" (3) reinvention and the National Performance Review; (4) the Government Performance and Results Act of 1993; (5) the Baldrige Award; and (6) reengineering.

The purpose of the study is to:

(1) Identify and describe the elements of the major frameworks for improving performance applicable to the public sector that have emerged in the U.S. since 1980;

(2) Assess how each framework satisfies criteria pertaining to organizational change and performance improvement in the public sector; and,

(3) Recommend the framework that best satisfies all the criteria, thereby providing practical guidance to public managers on improving organizational performance.

Each framework is assessed based on four criteria. The first two criteria pertain to the pluralistic and constraint-oriented environment of government bureaus. The third criterion evaluates framework comprehensiveness from a systems perspective, and the fourth criterion evaluates the extent to which explicit measures of organizational performance are provided. Specifically, to what extent does each framework satisfy the following four criteria:

(1) **Workable in a pluralistic and political environment?**

(2) **Realistic given the constraints and controls imposed by Congress and others?**

(3) **Comprehensive from a systems perspective? and,**

(4) **Capable of providing explicit measures of organizational performance?**

Government organizations are struggling to adapt and to survive. Criticism comes from all quarters. They are accused of being too large (Scott, 1975; Drucker, 1989), too bureaucratic (Wilson, 1989; Osborne and Gaebler, 1992), too inefficient (Golembiewski, 1987), too rule-bound (Rainey, 1989; Hammer and Champy, 1993), and too resistant to change (Kanter, 1992; Ban, 1995). Adding his voice to the chorus of concern, futurist Alvin Toffler warns that public organizations will "wither under competitive fire if they cling to the old centralized bureaucratic structures that flourished during the smokestack age" (Toffler, 1990:166).

Beset by demands for change, government managers have turned to consultants, researchers, and experts of various persuasions for help. Their advice on what to do has overwhelmed and often confused practitioners. Managers are to: (1) flatten hierarchical structures; (2) focus on quality instead of quantity; (3) listen to customers; (4) become more entrepreneurial, innovative, and risk-taking; (5) think and act strategically, and measure outcomes and results rather than inputs; (6) empower lower-level managers and employees to make decisions and to be accountable for their own work; (7) perform as coaches, mentors and facilitators; and (8) reinvent and reengineer the way work gets done. These wide-ranging recommendations provoke considerable debate and confusion.

Organizations have been bombarded with management "fads" and various frameworks for improving performance over the last twenty years, such as management by objectives, diversification, Theory Z, zero-based budgeting, value chain analysis, decentralization, quality circles, 'excellence,' restructuring, portfolio management, management by walking around, matrix management, intrapreneuring, and one-minute managing (Deming, 1986; Osborne and Gaebler, 1992; Hammer and Champy, 1993; Ban, 1995). What are government leaders and managers to do? Pick and choose from among whichever 'flavor' is center stage, concentrate on individual and organizational survival by not rocking the proverbial boat, innovate and take risks, or proceed incrementally and carefully as if trying to recover from a long-term, ill-defined disease?

Numerous authors and proponents of the alternative frameworks for improving organizational performance charge that government leaders and managers are entering the

twenty-first century with organizations designed during the nineteenth century to handle problems in the twentieth century (Drucker, 1969; Peters and Waterman, 1982; Deming, 1986; Osborne and Gaebler, 1992; Hammer and Champy, 1993). Results from research compounds the problem. Evidence is controversial and inconclusive (Rainey, 1989; Bozeman, 1987) and often reliant on anecdotal information, especially for large, complex, public organizations (Allison, 1983; Ban, 1995).

B. STRUCTURE OF THE THESIS

Before examining the frameworks, it is important to understand the special features of public organizations that makes changing them so difficult. These features and characteristics form the basis from which the criteria were developed, and set the stage for analyzing the frameworks. Three underlying problem areas of government organizations which makes it difficult for them to adapt are briefly identified here, and discussed in detail in Chapter II. Three fundamental reasons why government organizations have difficulty changing are:

(1) The persistence of machine bureaucracies;

(2) Difficulties in policy formulation and implementation; and,

(3) Lack of explicit measures of organizational performance.

Machine bureaucracies can be defined or characterized by what they have in common: highly specialized, routine operating tasks; very formalized procedures; rules, regulations, and formalized communication throughout the organization; formal decision-making power established by hierarchy and a chain of authority; and an elaborate administrative structure with clear distinctions between staff and line (Mintzberg, Quinn, and James, 1988; Rainey, 1989). These commonalities are discussed in Chapter II in terms of the following organizational characteristics: structural; system and process; and cultural. These three groups of characteristics can lead to organizational tendencies which can influence organizational adaptability. For example, Scott (1975) and Blau (1970) summarized data collected over several decades and found that large organizational size is associated with structural differentiation and compartmentation; which in turn leads to administrative overstaffing, which can impede communication and coordination efforts.

The second area identified which makes change difficult concerns policy formulation and implementation. Wilson (1989) and others (Schendel and Hofer, 1979) point to a gap or disconnect which occurs between formulating authorities (i.e. Congress, and political executive appointees) and implementing agencies.

> It is impossible not to be struck by the differences between the view from the top, reflected in the serene pride that valuable social ends are about to be served, and the mounting panic and frustration in the field offices as unreadiness for the concrete task becomes all too clear. (Darthick, "Agency Under Stress: The Social Security Administration and American Government," in Wilson, 1989)

Senior government executives and policy formulating bodies often define "policy" in political terms of what outside constituencies want. Wilson (1989) writes about the negative impact that occurs when executive policy makers are disconnected from implementing agencies: (1) officials and executives may have an insufficient understanding about organizational workings, cultures, and constraints; (2) executives often have an external, constituency-serving orientation, and serve short tenures; (3) executives are often required to communicate complex, subtle directives to many distant employees; and (4) because executives do not have much time to devote to the learning process, their policy changes may disrupt continuity, be poorly managed, and difficult to implement. There are additional problems discussed in Chapter II concerning policy formulation and implementation which influence organizational adaptability, such as: Constitutional separation of powers; the value-laden aspect of policies; executive turnover; pluralism and the complexity of joint-action; and lack of managerial capability, autonomy, and control.

The third category of underlying problems which makes change difficult for bureaus is the lack of explicit measures of organizational performance. Lack of consensually based performance measures arise from various environment-oriented and organization-oriented characteristics, such as: no clear market-tests; the centrality of social values; polyarchic mode of social control; pluralism; resource dependency; a tradition of goal attainment; and a gap in incentives, personnel and procedures available

for resource allocation (Wilson, 1989; Kanter, 1992; Roberts, 1993; Bozeman, 1994; Rainey, 1994).

Performance is a multi-attribute vector (Nutt and Backoff, 1995) which can be defined as the sum of activities which an organization undertakes to efficiently accomplish its internal operations, and to effectively adapt to its external environment (Bradley and Pribram, 1996). Performance improvement would therefore be concerned with the extent to which an organization efficiently accomplishes its tasks, is responsive and accountable to the public, anticipates political concerns and adapts its strategies accordingly (Stivers, 1994).

Measuring performance in the public sector is difficult for a number of reasons. Government bureaus (being publicly funded and publicly owned) lack financial measures available to private firms, such as profit and return on equity. The lack of market measures leads to the use of substitution or proxy measures, such as compliance with laws, charters, and regulations (Roberts, 1993). Confusion emerges on whether to improve compliance, processes, or outcomes. The service which a bureau provides such as national defense, food and drug regulation, or environmental protection can be relatively intangible. In addition to the problem of assessing intangible services, there is a financial disconnect between resource providers (Congress) and service recipients (taxpayers). These characteristics complicate performance measurement and performance improvement. There is a significant difference between focusing on resource providers and organizational inputs, or focusing on recipients and measuring outcomes.

Chapter III identifies the major frameworks for improving organizational performance emerging in the U.S. since 1980 and applicable to the public sector. The year 1980 is somewhat arbitrary, but is also a reasonable reference point for a general culmination of global trends and events. American economic and political predominance since 1945 diminished in the 1970s. There were other relevant factors: the Pacific Basin emerged as a world economic power; Europeans voiced concerns for a distinctive identity; Arab oil producing countries awakened global energy concerns; the Viet Nam era drew to a close; and technological change stimulated cultural, economic, and educational developments throughout the world (Van Dusen Wishard, 1989).

To reemphasize: 1980 was not a year defining a particular global event, but rather a logical and convenient demarcation point for discussing organizational advancements. It was the first year when 'quality' as a management system emerged in the United States. Although Japan developed quality as a management system in the late 1950s, American businesses commenced quality efforts after the airing of a television special in 1980 entitled: "If Japan Can, Why Can't We?" (Deming, 1986; Ban, 1995). All of the other frameworks emerged after 1980, and were either led by nationally recognized proponents, or achieved widespread prominence by business or government, or emerged from passage of public law (Peters and Waterman, 1982; Osborne and Gaebler, 1992; Hammer and Champy, 1993; Heapy and Gruska, 1995).

Chapter IV concludes the study by analyzing the frameworks based on the four criteria previously mentioned. A scoring system is used, the framework that best satisfies

the criteria is identified, and guidelines are provided to assist organizational leaders and managers to improve overall performance.

C. RESEARCH METHODOLOGY

This thesis is an exploratory, conceptual study relying on organization and management literature, and archival records. It is exploratory because the theoretical foundations explaining successful performance in large bureaucratic organizations are still evolving, controversial, and in preparadigm stages (LaPorte, 1994; Rainey, 1989). An exploratory approach is useful when researchers lack a clear idea of the scope of the problem and when concepts need to be developed more completely. According to Kuhn (1970), the preparadigm period is marked by frequent and involved debates over legitimate methodology, problems, and standards of solution which serve to define schools rather than to produce agreement.

After the archival data were collected and literature reviewed, the frameworks were evaluated against the four criteria: workable in a political, pluralistic environment; realistic given constraints; comprehensive from a systems perspective; and capable of providing explicit measures of organizational performance. The framework which best satisfied all the criteria was identified and guidelines were provided for leaders and managers to change organizational behavior towards improved performance.

II. REASONS WHY GOVERNMENT ORGANIZATIONS HAVE DIFFICULTY CHANGING

This chapter reviews three underlying reasons why government organizations have difficulty changing: **(1) the persistence of machine bureaucracies; (2) difficulties in policy formulation and implementation;** and **(3) lack of explicit measures of organizational performance**. These three categories summarize many of the special characteristics of bureaus that makes it difficult for them to change. Machine bureaucracies are discussed in three main areas: structural, system and process, and cultural characteristics. The second category that makes change problematic for bureaus concerns policy formulation and implementation. Although formulation (deciding what to do) is fundamentally different from implementation (taking action and achieving results), in practice, it is the integration of the two that is important (Schendel and Hofer, 1979). The third category explaining why government organizations have difficulty changing concerns the lack of explicit measures of organizational performance. Various environment-oriented, and organization-oriented characteristics are described which contribute to the lack of performance measures. For example, *no clear market test* can lead organizations to rely on *proxy measures*, which can lead to confusion on what to improve.

Some characteristics are redundant among the three categories, i.e., pluralistic environment, constraints, and problems of performance measurement. Repeating these

redundant characteristics in the three categories accomplishes the following: (1) each category can be described separately; (2) it shows that some characteristics can affect bureaus in multiple ways; and (3) it illustrates where three of the four criteria were derived from (workable in a political, pluralistic environment; realistic given constraints; and capable of providing explicit measures of organizational performance).

A. PERSISTENCE OF MACHINE BUREAUCRACIES

1. Definitions and Historical Background

> Public management is a world of settled institutions designed to allow imperfect people to use flawed procedures to cope with insoluble problems. All complex organizations display bureaucratic problems of confusion, red tape, and the avoidance of responsibility. Those problems are much greater in government bureaucracies because government itself is the institutionalization of confusion (arising out of the need to moderate competing demands); of red tape (arising out of the needs to satisfy demands that cannot be moderated); and of avoided responsibility (arising out of the desire to retain power by minimizing criticism). (Wilson, 1989:375)

The above quote does not define "machine bureaucracies," but does indicate why they have difficulty changing. In his seminal work, *Bureaucracy*, Wilson (1989) provides a Weberian definition of bureaucracy as: "a monolith - a distinctive form of social organization which exists to increase the predictability of government action by applying

general rules to specific cases" (1989:ix). Machine bureaucracies can be further defined in terms of their general commonalities: highly specialized, routine operating tasks; formalized procedures; excessive rules, regulations, and formal lines of communication; hierarchical chains-of-command; centralized decision-making; standardized job procedures; promotion based on seniority and functional competence; and elaborate administrative structures with clear distinctions between staff and line (Mintzberg, 1988, 1996; Rainey, 1989; Roberts, 1996).

Many organizations as they grow in size and complexity take-on various structural, process, and cultural characteristics. These characteristics can in turn lead to various organizational tendencies or properties which can influence adaptability. For example, a preoccupation with rules can stifle innovation; a command and control structure can restrict flexibility and impede teamwork; and a dominant political culture can create constraints and conflicting goals (Unterman and Davis, 1984). The type of organization which exhibits these properties is characterized by the metaphor of a machine bureaucracy, and much has been written about how it becomes top-heavy in staff and administrative personnel (Parkinson, 1957; Scott, 1975; Pfeffer, 1982; Peters and Waterman, 1982; Wilson, 1989).

Scholars and historians have long considered the bureaucratization of society and business to be a fundamental phenomenon affecting virtually every modern industrialized nation (Ferrell, 1985). The depiction of an organization functioning like a machine is rooted in early American history. As far back as 1776, Adam Smith published *The Wealth*

of Nations which, among other things, identified efficiencies to be gained through work specialization. His pin factory became an organizational model and precursor for production operations, assembly lines, and administrative activities for 150 years. By the early 1900s, the great German sociologist Max Weber (1947) espoused the belief that bureaucratic order-by-rule was the most efficient form of organization. Fundamental organizational theories besides Weber's concept of bureaucracy, such as Frederick Taylor's *Scientific Management* (1967), and Gulick and Urwick's administrative management became the foundations out of which the structure, systems, and culture of machine bureaucracies developed (Thompson, 1967). This organizational framework which started 100 years ago connotated a rationally efficient method of organization. It is still prevalent today in many large organizations, both public and private.

In post-World War II decades, the machine bureaucracy model appeared to solve, and perhaps still does, many of the basic problems facing American society such as security from old age and unemployment, stability, fairness and equity, and national defense. Its Weberian, one-size-fits-all, command and control framework appeared effective in building roads, highways, sewers, and schools during the industrial era (Peters and Waterman, 1982). This model developed during a time when people worked with their backs rather than with their minds, when information was consolidated at the top of an organization, when mass markets satisfied homogeneous demand, and when higher management was urged to defer to the expertise of 'functional foremen' to decide just how things were to be done (Taylor, 1967; March and Simon, 1958:12-22).

By studying closely what actually happened in a variety of modern-day bureaucracies, Wilson (1989) found that all bureaucracies are not alike, nor are they all inefficient (contrary to popular myth). There is a widespread view that, “bureaucrats are lethargic, incompetent hacks who spend their days spinning out reels of red tape and reams of paperwork, all the while going to great lengths to avoid doing the job they were hired to do” (p.x). Other researchers besides Wilson have found this perception to be an inaccurate exaggeration (Rainey, 1989; Osborne and Gaebler, 1992). Wilson’s conclusion, based on a career of observation and analysis, is that some bureaucrats are hacks but most are not. There is a lot of self-serving activity but also a lot of genuine pursuit directed toward higher goals, and although many organizations are inefficiently and excessively rule-bound, some are not. Even though there is ongoing debate concerning the inefficiency and ineffectiveness of public bureaus, many organizations still operate on bureaucratic principles of organizational stability through structural rigidity, formalized processes, and command and control cultures (Rainey, 1989). The metaphor of a machine depicts many of the basic characteristics of bureaus, and the persistence of these characteristics can influence organizational ability to change and adapt.

2. Structural Characteristics

Table 1 lists basic structural characteristics of machine bureaucracies which can influence organizational adaptability: hierarchical layering; centralized command and control; large size, compartmentation, and overstaffing; and public ownership, funding, and polyarchic mode of social control (Perry and Rainey, 1988; Rainey, 1989). For example, as shown in **Table 1**, the structural characteristic of *elaborate hierarchies* can lead to *communication complexities*, which can *increase organizational inertia*.

The classic shape of a pyramid depicts the hierarchical structure of a machine bureaucracy (Powell and Friedkin, 1987). The pyramid symbolizes other structural characteristics such as top-down command and control, multiple compartments and layers, and isolation, i.e., from market forces. The convoluted corridors and elaborate flow-charts characteristic of machine bureaucracies can complicate communications and deter adaptability. Multiple organizational layers involve multiple levels of review, interpretation, and approval, as well as multiple opportunities for actors to impede change.

The pyramid metaphor would be incomplete without including the subtle but powerful characteristic of passive inertia. The origin, extent, and influence of passive inertia on organizational adaptability may be hard to pinpoint, but its presence and persistence in thwarting change is well known by practitioners (Kanter, 1981).

Table 1. Structural Characteristics of Machine Bureaucracies:

Influence on Organizational Adaptability

Characteristics:	Can lead to:	Influence on organizational adaptability:
Elaborate Hierarchies;	Communication complexity; Information loss & distortion;	Increases organizational inertia; Many levels of review & approval;
Centralized Command & Control;	Top-down flow of ideas; Authoritative relationships; Emphasis on following orders; Emphasis on control;	Limits innovative activity; Engenders rank over knowledge; Engenders "Turf wars;" Limits flexibility;
Large size, Compartmenting; Overstaffing;	Communication complexity; More formal procedures; "Not invented here syndrome;" Staff proliferation; Staff justification;	Slows response-time; Limits innovation; Focus is inward towards compartment, section, division; Staff approval 'filter' effect; Teamwork complications;
Public Ownership, & Funding; Polyarchic mode of social control;	Non-client sources of revenue; Pluralistic / political processes; More bargaining, persuasion, & trade-offs; Multiple stakeholders; Multiple goals; Multiple constituencies;	More vagueness / intangibility; Difficulty measuring performance; Goal ambiguity / conflict; Emphasis on rules, controls, inputs, funding sponsors, & public perceptions; Outcomes & results secondary;

Source: adapted from Hal Rainey, 1989; Perry and Rainey, 1988.

The concept of command-and-control has a military origin, and also refers to leadership and management activity and methodology. Whether used by military commanders or by executives and managers in bureaus, its purpose is to increase organizational predictability and compliance. Deming (1990) said that predictability is a *primary purpose* of management. Increasing predictability through control of systems, processes, events, and personnel is a fundamental Weberian principle of machine bureaucracies (Mohr, 1994). Management often associates having a 'tight-grip' on organizational components as necessary to obtain high production and precision. Authority and decision-making power are absolute and top-down, and controlling and monitoring workers may increase compliance and uniformity (Hawkins, 1991). Positional authority and the concentration of information and knowledge at the apex of the organization ensures that centralized decisions are made at the 'top,' and flow downward.

Bozeman and Bretschneider (1994) note that large organizational size increases levels of bureaucratization. A corollary of large size appears to be overstaffing. Large numbers of staff personnel occurs in bureaus for various reasons, such as: the need to organize large amounts of information; complex issues require analysis and clarification; directives must be relayed from top management down into organizational layers; and large amounts of data must be collected and maintained. Overstaffing can influence adaptability by complicating rather than facilitating organizational communications. Staff members can ignore, filter, and modify information for different reasons including a zeal to help, a desire to protect the boss, and self-preservation.

Peters and Waterman (1982) observed that as the number of employees goes up arithmetically in an organization, the number of possible interactions among organization members increases geometrically. Executives tend to hire larger staffs to simplify communication complexities, but other complications arise:

> Staff may, in fact, simplify matters - for them. But the staff makes life miserable for the people in the field. The moment that staff, in any number, leaps into action, it starts generating information requests, instructions, regulations, policies, reports, and finally questionnaires on 'how staff is doing.' Somewhere along the way to bigness, information overload sets in and things get very confusing. (Peters and Waterman, 1982:64)

Pfeffer (1982) summarizes other applicable concerns about large size: (1) size is the most powerful predictor of a factor that measures specialization and use of standardized procedures; (2) size is positively correlated with structural differentiation; (3) differentiation increases at a decreasing rate as size increases; (4) increasing size provides greater opportunity to benefit from increased division of labor, but increased division of labor requires greater coordination by managers; and (5) size is positively related to formalization and growth of the administrative component of organizations.

3. System and Process Characteristics

Machine bureaucracies accumulate systems and processes in order to organize and accomplish work in a more predictable manner, and to enforce standardization of various legal, social, and political values (Wilson, 1989; Ban, 1995). A process is defined as a grouping of activities that takes one or more kinds of input and creates an output that is of value (Hammer and Champy, 1993). Webster (1986) defines process as a series of actions or operations leading to an end. A process is also defined as any action that can be repeated, like attaching a bumper on a car in an assembly line, completing a periodic report, or following standard operating procedures (Dobyns, 1994).

A system, on the other hand, can be defined as two or more processes organized to accomplish a purpose. According to Deming (1990:12) a system is: "a series of functions or activities within an organization that work together for the aim of the organization." Systems and processes in bureaus include: the civil service system; personnel, budgeting, and procurement systems; reduction in force (RIF) and regulatory processes; and standard operating procedures (Ban, 1995).

This section identifies the basic characteristics of systems and processes which can influence organizational adaptability in bureaus. **Table 2** shows characteristics of systems and processes which can make it difficult for organizations to change. The array of legal, regulatory, financial, and personnel systems and processes can create an elaborate web of

Table 2. System and Process Characteristics of Machine Bureaucracies: Influence on Organizational Adaptability

Characteristics:	**Can lead to:**	**Influence on organizational adaptability:**
Elaborate institutional constraints; **Jurisdiction-wide rules, regulations, & standard operating procedures;** **Contextual goals;**	Excessive "red-tape;" One-size-fits-all approach; Reluctance to delegate authority; Strict demands on accountability; More levels of review & approval; Large variegated membership;	Less decision-making autonomy; Less managerial capacity & motivation to manage their units; Less flexibility; Process elevated over outcomes;
Decision-making processes subject to interventions, interruptions, & greater involvement of external authority & interest groups;	Shifting participation & delays; Less managerial decision making autonomy & flexibility; Reactive / Directive approaches to general management; (a)	Crisis-management & 'fire-fighting;' 'Muddling-through' strategy; Efficiency, precision, & constancy emphasized at expense of innovation & organizational learning; (a)
Constrained incentive systems;	Limitations on extrinsic incentives;	Weaker relations between performance & extrinsic awards;

Source: adapted from Hal Rainey, 1989; Nancy Roberts, 1996 (a).

institutional constraints (Ban, 1995). Warwick (1975) concluded from his case study of the State Department that public bureaucracies exhibit elaborate rules, and highly formalized and standardized personnel systems which lead toward excessive red-tape, and a one-size-fits-all approach. Chubb and Moe (1985) concurred that government bureaucracies consistently demonstrate more highly structured, externally imposed personnel procedures than firms. These properties affect adaptability because they tie-up managerial capacity, and shift organizational focus towards compliance (Rainey, 1989).

Wilson (1989) clarifies that many of the rules and formal processes of bureaus are not generated *by* bureaucracies or by the executives who manage them, but are imposed *upon* them by external actors:

> Rules pervade governmental agencies because the institutions constraining those agencies - courts, legislatures, executive staffs - usually find the formation and imposition of a rule to be more rewarding. Rules often need not be reconciled with one another, and therefore the political institutions employing them do not have to make painful choices among competing goals. Rule imposing bodies do not routinely monitor the output of agencies or bear any of the costs of managing highly constrained organizations. Rules tend to heighten the formal authority of executives and managers. (Wilson, 1989:363)

Ban (1995) concurs that, "the complex system of formal controls has evolved primarily as a way to prevent abuse - that is, manipulation of the system for political or personal gain" (p.268). Campbell (1980) notes that the proliferation of rules which originated as a

defense against the spoils system has resulted in as much inefficiency as they were designed to produce.

Hammer and Champy (1993) point out that many bureaucratic processes today are based on the same principles that the railroads introduced a hundred and fifty years ago. Programming people to conform to established procedures has remained a cornerstone of historic and contemporary bureaucracy. It is precisely because bureaucratic processes worked so well during times of intense crisis, such as during the Depression and two World Wars, that they stubbornly persist today, even under serious threats of privatization (Hammer and Champy, 1993).

There are additional reasons why bureaucratic processes are so persistent. All of these systems; civil service, budgeting, and procurement are protected and enforced by legislative rules and Congressional laws. They were designed to protect people from a political spoils system, and to prevent abuses from favoritism and wasteful spending. Many are designed to ensure that bureaus comply with contextual, or secondary goals such as observing equity standards and procedural fairness (Wilson, 1989; Ban, 1995).

Contextual goals are, "descriptions of desired states of affairs other than the one the agency was brought into being to create" (Wilson, 1989:129). The reason that contextual goals are included in system and process characteristics is because these types of goals are manifested through systems, processes, and laws. For example, the personnel hiring and promotion system in bureaus includes social and equity values such as fairness to minorities, openness in advertising, due-process in dealing with problem employees, and

affirmative-action goals (Ban, 1995). These systems and processes may reduce abuses of power by managers, but they also constrain a manager's ability to manage. Wilson summarizes the point: "Equity is more important than efficiency in the management of many government agencies" (p.132).

Decision-making processes, for instance strategic planning in bureaus, is subject to excessive interventions, interruptions, and extensive involvement of external authorities and interest groups (Rainey, Backoff, and Levine; 1976). Cohen, March, and Olsen (1968) suggest that these factors lead to a "vortex-sporadic" mode of decision-making involving greater turbulence, delays, and shifting participation (p.24). Excessive intervention from external authority, interest groups, or public scrutiny influences adaptability because it shifts managerial attention away from primary goals and objectives. In short, autonomy and flexibility are impaired. Multiple conflicting interventions can lead to crisis-management, or 'fire-fighting.'

Strategic decision-making in organizations (public and private) has generated considerable research and alternative explanatory theories, such as: "Muddling-Through" (Lindblom, 1959); "Logical Incrementalism" (Quinn, 1980; Lindblom, 1959); "Disjointed Incrementalism" (Braybrooke and Lindblom, 1963); "Organized Anarchy," and "Garbage-can" (March and Olsen, 1968, 1976); and "Emergent Strategy" (Mintzberg, 1996). The idea being addressed is that the decision-making process itself significantly influences the ability to carry-out planned changes. The decision-making process in bureaus infers limited capacity and capability to integrate and implement planned changes.

Table 2 shows that decision-making characteristics in bureaus can be associated with "reactive" and "directive" approaches to general management (Roberts, 1996). The former describes actions which are not designed to produce any consistent pattern of activity, but are sequential, disjointed adjustments by managers and employees to handle competing, pluralistic demands. The directive approach does promote consistency in terms of adhering to rigid controls and maintaining order to maximize predictability and reliability of operations. The point is that the type of decision-making approach that management pursues influences organizational ability to adapt. Innovative, entrepreneurial, and learning behaviors can be influenced and impaired using a reactive or directive approach to decision making.

Studies show that government managers and employees have greater administrative constraints on availability of incentive systems such as pay, promotion, and disciplinary action (Rainey, Backoff, and Levine; 1976; Ban, 1995). Constrained incentive systems weaken the relationship between performance and application of extrinsic rewards. Ban (1995) refers to managers who are deprived of authority and incentive to influence organizational performance as "Chained Gulliver's," or helpless giants (p.13).

Performance appraisal systems often generate competition among individuals. There is growing evidence that internal competition is counterproductive to organizational performance because it stimulates conflict and individual performance while sacrificing organizational performance, lowering morale, increasing employee stress, and undermining teamwork (Deming, 1986; Collins and Porras, 1994).

A final note on systems and processes concerns the 80-20 rule (also known as Pareto's rule). The idea is that roughly 80 percent of organizational problems are due to systems and processes, and only 20 percent are due to individuals (Juran, 1988). Deming (1986; 1990) exclaims that management *owns* the systems and processes over which employees have little or no control. The point concerning adaptability is that if management rewards and punishes individual performance without changing the system in which that performance occurs, then adaptation is slowed because variation increases. The logic here is that influencing individuals and organizations towards improved performance is impaired if the (performance appraisal) system increases rather than decreases variation.

4. Cultural Characteristics

Culture can be thought of as a distinctive way of perceiving and reacting to the world. Wilson (1989) defines organizational culture as a, "set of patterned and enduring ways of acting, passed on from one generation to the next. Culture is to a group what personality is to an individual, a disposition that leads people to respond differently to the same stimuli" (p.302). Schein (1990:111) defines organizational culture as, "the pattern of assumptions in the organization that has been useful in coping with the internal and external environment that is taught to new members as the 'correct' way to perceive, think, and feel about their work." Other experts see culture as something that develops

think, and feel about their work." Other experts see culture as something that develops from within an organization over a long period of time, and cultural resistance to change can be greater in a strong culture than a weak culture. These factors can influence individual and organizational ability to learn, adapt, and accept new ways of accomplishing work (Rainey, 1989; Wilson, 1989; Tichy and Devanna, 1990; Ban, 1995).

Peters and Waterman (1982) concluded that organizational culture, and in particular, "clearly shared values," had a direct bearing on the success of over 70 top-performing firms. "Without exception, the dominance and coherence of culture proved to be an essential quality of the excellent companies" (p.75).

Wilson summarizes two reasons why organizational culture can be a vague and misunderstood topic: past studies such as the famous Hawthorne studies at the Western Electric factory have overstated the effect of beliefs and understated the influence of monetary rewards, supervisory controls, and prevailing economic conditions; and theorists have failed to state and rigorously test hypotheses about culture. He found that the predisposition's of public sector employees, the different technologies used within an organization, and the vagueness of stated goals can lead to organizations having multiple conflicting cultures. Koteen (1991) said that struggles for supremacy among competing groups can lead to organizational conflict and resistance to taking on new tasks that seem incompatible with the dominant culture.

Selznick (1957) was a pioneer in introducing the idea of organizations having an identity or culture which he termed, "distinct competence." He said institutions are

formed as various identities become internalized by members of an organization over time. The cultural characteristics of bureaus have been inculcated over many decades. To the degree that cultural traits are institutionalized and persistent in bureaus affects their ability to adapt and change. Ban (1995) says that public sector managers are, "socialized into a culture of control and so burned out by the stresses of working within the bureaucracy that they have either passively resigned themselves to the rigidity of the system or thrown up their hands in despair" (p.13). She says that autonomy and freedom to act is restricted both by formal regulations and hierarchical control.

Table 3 shows some of the basic cultural characteristics of machine bureaucracies including: low individual perceptions of a sense of control and commitment; cautious and non-innovative tendencies; unfavorable attitudes and resistance to change; rule-bound mentalities; and the existence of multiple cultures within one organization (Rainey, 1989; Koteen, 1991). Rainey goes on to point out that public sector managers have less autonomy and flexibility to make independent decisions due to pervasive institutional constraints and external political influences. Civil service, purchasing and procurement systems constrain managerial authority over subordinates. Senior executives demonstrate reluctance to delegate authority, and may insist on multiple levels of review and approval. There is also a tendency to rely on formal regulations to control lower level managers and employees. The mobility of senior executives due to elections and political appointments can disrupt organizational continuity and impede innovation and implementation of strategic plans (Rainey, 1989).

Table 3. Cultural Characteristics of Machine Bureaucracies:

Influence on Organizational Adaptability

Characteristics:	Can lead to:	Influence on organizational adaptability
Lower perceived-sense of control, & commitment; Cautious & non-innovative (bureaus & employees); More unfavorable attitudes, & resistance to change; Rule-bound & Control mentalities;	Frustrations; Climate of fear; Focus on control; Preoccupation with process;	More behavioral resistance; More scrutiny & skepticism of new ideas; Stiffling of organizational adaptability & capacity to learn; Procedures overwhelm substance; Means valued over ends;
Multiple cultures;	Struggles for supremacy; Conflict;	Resistance to taking on new tasks that seem incompatible with the dominant culture;

Source: adapted from Hal Rainey, 1989; James Wilson, 1989; Jack Koteen, 1991.

Wilson (1989) refers to "bureaucratic personalities," where employees tend to value means over ends, and "where government organizations are especially risk averse because they are caught up in a web of constraints so complex that any change is likely to rouse the ire of some important constituency" (p.69). In contrast, he also observed positive cultural aspects in bureaus such as strong achievement orientations, and commitment to public service. Isabella (1992:60) notes that over time, leaders and managers generate "mindsets," or mental maps which shape and guide individual and organizational activities, decision making, and actions.

B. DIFFICULTIES IN POLICY FORMULATION AND IMPLEMENTATION

> It is hard enough to design public policies and programs that look good on paper. It is harder still to formulate them in words and slogans that resonate pleasingly in the ears of political leaders and the constituencies to which they are responsive. And it is excruciatingly hard to implement them in a way that pleases anyone at all, including the supposed beneficiaries or clients. (Denhardt, 1991:248-249)

Policy formulation can be defined as the process of determining and setting organizational direction and strategy, and policy implementation as the carrying-out or execution of policy decisions (Mazmanian and Sabatier, 1983).

Tables 4 and **5** list characteristics of policy formulation and implementation which contribute to reasons why bureaus have difficulty changing: Constitutional separation of powers; the political, value-laden aspect of policies; lack of understanding by policy-makers about the complexities of implementation; executive turnover; pluralism; complexity of joint action; and lack of managerial capability, autonomy and control (Rainey, Backoff, and Levine, 1976; Wildavsky and Pressman, 1979; Rainey, 1989; Wilson, 1989). For example, **Table 4** shows that *Constitutional separation of power spreads general management functions among competing institutions*, which *precludes arbitrary exercise of power*. In other words, the Constitution bifurcates the entire formulation-implementation process in bureaus. Although this feature was designed primarily to protect the public from unmitigated exercise of power, it also sets institutions and ambitions against one another, which can degrade overall efficiency and increase the probability of stoppages and delays (Wildavsky, 1979; Lorange, 1979; Galbraith, 1979).

Table 6 sheds additional light on the underlying reasons why bureaus have difficulty changing, including formulation and implementation issues. Three institutional mechanisms (or characteristics) of *funding*, *ownership*, and *mode of social control* produce organizational structures and processes which range along a continuum of organizational types from private enterprises to bureaus. Various organizational properties, processes, and systems are affected by these three mechanisms, such as: performance expectations; performance measures; legal and formal constraints; public scrutiny; goals and objectives; incentives and incentive structures; and performance

Table 4. Formulation Characteristics of Bureaus:

Influence on Organizational Adaptability

Characteristics:	Can lead to:	Influence on organizational adaptability:
Constitutional separation of powers;	Spreading of general management functions among competing institutions;	Precludes arbitrary exercise of power; Limits managerial decisiveness;
Political, value-laden aspect of policies;	Policy originating from ideas; Policies being shaped by the value-systems of whomever has power;	"Ends" can be agreed upon, where "means" will conflict; Any change likely to upset some interest group;
Lack of understanding by policy-makers of complexities of implementation;	Miscalculations: apparent simplicity & straightforwardness of process is *actually* complex & convoluted; Lack of appreciation of: # of steps, # of participants, # of separate decisions, & geometric growth of interdependencies over time;	Implementation severely limited from outset; Increases levels of frustration of implementors and multiple publics; Proposed changes subject to delays and implementation paralysis;
Executive turnover;	Lack of continuity; Fragmented participation in formulation process by rotating elected-officials & executives;	Reduced continuity between formulation & implementation;

Source: adapted from Wildavsky and Pressman, 1979; Rainey, 1989; Perry and Rainey, 1988.

Table 5. Implementation Characteristics of Bureaus:

Influence on Organizational Adaptability

Characteristics:	Can lead to:	Influence on organizational adaptability:
Pluralism; & Complexity of joint-action;	Organizational conflict; Multiple changing actors, diverse perspectives, & rival needs & circumstances; Different: (1) measures of success; (2) sequences of events imposed; & (3) sense of urgencies; Multiple clearances, & confusing goals;	Contradictory criteria; Antagonistic relationships among participants; High level of uncertainty; Each required clearance-point adds to probability of stoppage & delays;
Lack of managerial capability, autonomy, and control;	Implementation not properly integrated; Management not participating; Operational overload (too much at once); Excessive external controls; Administrative constraints;	Overall lack of general management competence on how to approach & accomplish task, limits organizational capacity to implement required steps;

Source: Wildavsky and Pressman, 1979; Lorange, 1979.

Table 6. Comparison Between Enterprises and Bureaus

Institutional Mechanisms for Political & Economic Activity:	Organization Types:	Implications for Organizational Properties:	Implications for Internal Organizational Processes & Systems:	Challenges for Strategic Management:
	Bureau	Performance Expectations	Number of goals & objectives	Policy Formulation
Ownership:	Government Corporation	Performance Measures	Standards for Evaluation	Performance Standards & Environmental Adaptation
	Government-Sponsored Enterprise	Legal & Formal Constraints	Authority Relations & Role of the Manager	Policy Implementation
Funding:	Regulated Enterprise	External Stakeholder Influence	Incentives & Incentive Structures	Decision Making
	Governmental Enterprise	Degree of Coerciveness	Performance Characteristics	
Mode of Social Control:	State-Owned Enterprise	Breadth of Impact		
	Governmental Contractor Private Enterprise	Public Scrutiny		

Source: Typology from Perry and Rainey, 1988. Adapted from Rainey, Backoff, and Levine, 1976.

characteristics (Rainey, Backoff, and Levine; Rainey; 1989; Roberts, 1993). **Table 6** shows ownership, funding, and mode of social control as institutional characteristics having implications on policy formulation and implementation in a wide range of organizational types (Rainey, 1989).

Public funding, public ownership, and polyarchic mode of social control can also be viewed as structural characteristics which can affect a wide range of organizational characteristics, processes, and systems (Rainey, Backoff, and Levine, 1976; Perry and Rainey, 1988). Polyarchic mode of social control infers that public owned and funded bureaus exchange goods and services with customers and suppliers, but control is exerted primarily through *political* vice market or economic forces. "At the other end of the continuum, polyarchy involves bargaining and persuasion among those external to the organization, who have some degree of control over the organization (Roberts, 1993:155). Public funding and ownership, and polyarchic mode of social control are characteristics which can be associated with other organizational properties and tendencies, such as: non-client sources of revenue; a preoccupation with the political process involving bargaining, persuasion, and trade-offs; and a pluralistic environment of multiple stakeholders, multiple goals, and multiple constituencies (Wilson, 1989; Denhardt, 1991; Roberts, 1993). These properties influence organizational adaptability in different ways: by increasing complexity and potential for conflict; creating gaps between resource providers and resource recipients; generating vague, intangible, and political goals which are difficult to implement; and constraining decision making. March and

Olsen (1976) describe the complicated phenomenon of managing different interest groups who are competitively pursuing different motives and agendas as, "organized anarchy."

A private corporation is relatively free to choose the direction it wants to pursue in the marketplace, the products and services it wants to provide, the process by which it will hire, promote and fire its personnel, and the quality of its output (Denhardt, 1991; Ban, 1995). It can close its conference room doors to media scrutiny, and focus on pleasing stockholders, owners, customers, or whomever it pleases. It is in relative control of choosing the direction it wants to pursue, and can link its formulation policies directly with its implementation activities.

A government bureau, on the other hand, has its policies and strategic direction determined in most part by Congressional bodies external to organizational boundaries (Unterman and Davis, 1984; Wilson, 1989). Formulation plans and implementation activities tend to be disconnected. There are several reasons for this fractured linkage between formulation and implementation: policies may be expressed in vague or conflicting terms in order to obtain consensus from multiple competing stakeholders; resources may not be provided to implement policy objectives; and excessive constraints may be imposed on implementing agencies by oversight bodies, the courts, and multiple publics. Pressman and Wildavsky (1979) summarize the nature of the problem:

> The real devil is the divorce of implementation from policy. Learning fails because events are caused and consequences are felt by different organizations. Obstacles to learning have become part of the contemporary American scene in which demands for instant action interact with the federal system so as to produce separation of ideas from execution. (p.135)

Policy formulation and implementation in bureaus is Constitutionally separated to purposefully preclude the arbitrary exercise of power among legislative, executive, and judicial institutions (Roberts, 1993). Allison (1983), citing the *Federalist Papers*, says that ambition is purposefully used to counteract ambition. This spreading of general management functions among individuals and competing institutions serves as a check and balance on arbitrary exercise of power, but can limit managerial autonomy and freedom to act. A policy may have obtained legitimization through a process of bargaining and compromise (which was essential in developmental political stages), only to find upon implementation that accountability to all concerned is difficult or impossible to obtain (Matland, 1995).

Political, value-laden policies arise when elected officials attempt to formulate policies designed to accommodate multiple constituencies. Policy often originates from ideas and from the value-system of whomever has primary power (Bryson, 1988). Denhardt (1993) summarizes Lindblom's (1959) conclusions regarding the effect of pluralistic stakeholders on policy-makers: values and objectives are often in conflict with one another and must therefore be stated in marginal terms; incremental policy-making and implementation provides both the administrator and society with safeguards against

abuses; and agreement is often attainable on policy intentions, even when there is disagreement on values and means to accomplish policy (Lindblom, 1959). Frederickson (1991) found that when bureaus are faced with multiple publics such as interest groups, consumers of government products, elected representatives, and clients and citizens, that the result is multiple conflicts on values, priorities, and methods of accomplishment.

Another characteristic applicable to policy formulation that can influence organizational adaptability is a lack of understanding by policy-makers regarding the complexities of implementation, i.e., the number of steps, the number of participants, the number of separate decisions involved, and the geometric growth of interdependencies over time (Pressman and Wildavsky, 1979). These properties convert a well-planned idea or program into a series of hurdles and potential gridlock. Organizational adaptive capability decreases as frustrations rise, and proposed changes fall prey to delays and paralysis (Ring and Perry, 1985).

Executive turnover and political appointees can degrade organizational continuity and deter adaptation (Pressman and Wildavsky, 1979). Job-hopping executives may not have sufficient time to be familiar with earlier policy decisions, and may therefore make uninformed policy changes. Promotions at senior levels may be based on priorities which disrupt continuity such as the ability to quickly start a new program or cancel an ongoing one. 'Movers and shakers' may have learned that 'making your mark' in an organization is what gets noticed and promoted faster than ensuring continuity. Political executives and appointees can compound the difficulty of maintaining organizational consistency.

Policy decisions are influenced by political forces rather than performance concerns. The point is not whether organizations need to change or remain consistent. The point is that it becomes difficult for bureaus to have a long-term focus if continuity is continually being disrupted for whatever reasons.

The pluralistic environment of bureaus, and the complexity of joint action affects the implementation of policies. Multiple changing actors, diverse perspectives, and rival needs and circumstances can increase organizational conflict. Additionally: multiple stakeholders involved in policy implementation often have different measures of success; may impose different priorities on desired sequence of action; and often have different interpretations on the urgency of implementing policies (Mazmanian and Sabatier, 1983). Mazmanian and Sabatier add that contradictory criteria on how to structure implementation arises due to unclear policy objectives, inadequate resources, and amount of formal access that outsiders have during implementation. The idea is that adaptation is deterred by ineffective implementation of policies.

Lack of managerial capability, autonomy, and control also degrades effective implementation. Implementation steps may be poorly integrated into operational routines, and management may not participative enough in implementation activities. Bureaus can become burdened and overloaded because they lack knowledge about the complexities of policy implementation. Excessive external controls and administrative constraints imposed by legislative oversight bodies also restricts policy implementation (Pressman and Wildavsky, 1979).

C. DIFFICULTIES IN MEASURING PERFORMANCE

1. Definitions

There is considerable debate among scholars and government practitioners about defining and measuring organizational performance in the public sector (Kanter, 1981,1992; Rainey, 1976, 1979, 1983, 1989; Heapy and Gruska, 1995; Ban, 1995). There is little consensus on the makeup of explicit performance indicators, nor is there any comprehensive theory of public management success (McGregor, 1993; Drucker, 1968; Unterman and Davis, 1984; Roberts, 1993). Kanter (1992) notes that one of the most important conceptual distinctions about performance measurement is not *how* to measure it, but *what* to measure in the first place. Hall (1980) contends that performance is the most important dependent variable to be explained, regardless of the bias of the investigator. Perry and Rainey (1988), Wilson (1989), and Roberts (1993) point out that bureaus operate in a political economy instead of a market economy which leads to an array of problems both in defining and measuring performance.

Organizational performance here is considered to be a *multi-attribute phenomenon* (Nutt and Backoff, 1995) defined as: **a composite of how well an organization accomplishes its work, i.e., the efficiency of its internal operations in converting inputs into outputs; and, how effective and responsible it is to its overall environment, i.e., its ability to anticipate, prioritize and adapt to multiple**

inputs into outputs; and, how effective and responsible it is to its overall environment, i.e., its ability to anticipate, prioritize and adapt to multiple stakeholder concerns, and to formulate and implement its strategies accordingly (Stivers, 1994; Bradley and Pribram, 1996; Roberts, 1996).

Lack of explicit measures of performance can make it difficult for bureaus to adapt. The characteristics which contribute to lack of performance measures are divided for discussion purposes into two categories: environment-oriented characteristics (**Table 7**), and organization-oriented characteristics (**Table 8**). For example, as shown in **Table 7**, an environment-oriented characteristic of bureaus is *no clear market test* of performance commensurate to indicators found in private enterprise, i.e., degree of profitability or market share (Unterman and Davis; 1984). No *bottom-line measure of success* can lead to a reliance on *proxy indicators* to assess performance, and a *disconnect between resource providers and recipients.* Proxy measures can become substitutes for organizational goals, and can generate confusion about what to measure and improve. Bureaus can *persist in doing the 'wrong things,'* because of the tendency to measure that which is easier to measure, i.e., resource inputs and compliance rather than outcomes and results.

Table 7. Environment-Oriented Characteristics of Bureaus Contributing to Lack of Performance Measures: Influence on Organizational Adaptability

Characteristics:	Can lead to:	Influence on organizational adaptability:
No clear market test;	No "bottom line" success; Reliance on proxy indicators; Disconnect between resource providers and recipients;	Confusion on what to improve; (inputs & compliance vice outcomes) Proxies substitute for goals; Persistence in doing the wrong things;
Lack of consensually based indicators;	Conflict between operators (situation-imperative driven), & managers (constraint-driven);	Gresham's Law: work that produces measurable outcomes drives-out work that produces unmeasurable outcomes;
Centrality of social values;	Fairness valued over effectiveness; Complicates legal & political constraints; Engenders value-laden goals;	Equity issues easier to judge than efficiency issues; Limits managers ability to: impose own sense of vision & mission, & make changes without upsetting stakeholders;
Polyarchic mode of social control;	Constraint-driven management; Political economy: based on laws & influence; Signals: weak, contradictory & difficult to interpret;	Paralysis; Bottom line is constraints; Freedom to act is restricted; Risk aversion: limits adaptive capacity, & acceptance of innovative opportunities;
Pluralistic environment;	Multiple stakeholders; Multiple constituencies; Multiple principals;	Multiple interpretations of effectiveness; Increased likelihood of conflict & censorship among competing bodies;

Source: adapted from Wilson, 1989; Kanter & Brinkerhoff, 1981; and Roberts, 1993.

Table 8. Organization-Oriented Characteristics of Bureaus Contributing to Lack of Performance Measures: Influence on Organizational Adaptability

Characteristics:	Can lead to:	Influence on organizational adaptability:
Goal attainment tradition;	Difficulties in goal specification; Multiple conflicting goals; Vague & ambiguous goals; Excessive contextual goals; Managerial difficulty conveying what goals mean & how to accomplish;	Goal progress & outcomes hard to assess; Goals displaced with procedures & rules; Goal accountability difficult, rules accountability easier;
Resource dependency	Alterations of structures & goals to obtain resources needed to survive;	Focus on resource providers; Focus on inputs; Outcomes secondary;
Gap in incentives, personnel, & procedures available for resource allocation;	High degree of internal conflict; Tasks defined by "naturally occurring incentives," rather than agency-supplied incentives;	Difficulty applying incentives directly towards change behavior desired;

Source: adapted primarily from Wilson, 1989.

2. Characteristics Contributing to Lack of Performance Measures

Table 7 lists environment-oriented characteristics of bureaus which contribute to lack of performance measures, and which influence adaptability: no clear market test; polyarchic mode of social control; lack of consensually based indicators; centrality of social values; and a pluralistic environment (Kanter and Brinkerhoff, 1981; Perry and Rainey, 1988; Wilson, 1989; Roberts, 1993).

No clear market test means that bureaus lack performance indicators which are common to the private sector. Performance determination in bureaus must rely on less straightforward quantitative and qualitative measures because bureaus are not designed to achieve profits (Kanter, 1981). Wilson (1989) points out that this inability of bureaus to lawfully retain organizational earnings and devote those earnings to the private benefit of members is a fundamental distinction between public and private organizations. No clear market test is a constraint which leads to: no bottom-line measure of success; a reliance on alternative or proxy measures; and a disconnect between resource providers and service recipients. The influence that these properties can have on organizational adaptability can be: a persistence in doing and measuring the 'wrong things;' confusion and conflict on what to improve; and a preoccupation on inputs and compliance rather than on outcomes and results.

There is a distinction between lack of consensually based indicators, and no clear market test. The latter concerns bureaus lack of a precise monetary 'yardstick,' i.e., profit, whereas the former infers that external and internal organizational stakeholders are not in agreement on what constitutes performance and performance measurement. This can lead to conflict between operators who tend to be driven by situational imperatives, and managers who tend to be constraint-driven (Wilson, 1989). A liberal interpretation of Gresham's Law pertains: that which can be more easily measured, i.e., counting inputs, drives-out work that is difficult to measure, i.e., program effectiveness and outcomes. Organizations tend to have greater control over their outputs and processes than they do over outcomes and results. The latter are difficult to measure and may not be evident for a long time (Osborne and Gaebler, 1992).

The centrality of social values in the domain of the public sector complicates performance measurement because social values, being subjective, are difficult to measure. Measuring fairness and equity may be easier to judge than efficiency and effectiveness. In other words, performance may be based on justice rather than efficiency, on the preservation of liberty rather than the best use of economic resources, and on accountability and legitimacy, rather than effectiveness (Bower, 1993). For example, the ratio of minorities hired is easier to measure than whether or not the hiring organization is efficient and effective in using its personnel to accomplish organizational outcomes. The former is numerical and short-term, and the latter is more subjective and long-term. It is also more difficult for managers to impose their own sense of vision, mission, and values

because these attributes are perceived differently among competing stakeholders. Improving performance through one set of values, or in one area of social concern may upset interest groups in another area.

The perception of performance and considerations of productivity are intertwined. Any evaluation of performance must be expressed in broad terms to be able to accommodate the full range of public and political concerns, i.e., from how many prisoners are being incarcerated, to the equal employment opportunity afforded to prison guards (Denhardt, 1991). Two former Secretaries of the Treasure, Michael Blumenthal and George Shultz found that they were often judged on external factors and perceptions beyond their control such as the economy, the budget, and inflation. Blumenthal noted that when he was a business executive he was evaluated on being a good administrator and on obtaining tangible results. In his government role, he tended to be evaluated on the perception of effectiveness (Blumenthal, 1983; Roberts, 1993).

Bureaus operate in a political economy on the basis of laws, influence, and perception. Whereas market signals tend to be clear to a firm, political signals to a bureau may be weak, contradictory, and difficult to interpret. This feature can influence management to focus on constraints. Freedom to act is restricted, organizational paralysis occurs, and managers become risk averse (Wilson, 1989; Mintzberg, 1994). Polyarchy means that organizational purposes tend to be expressed in ambiguous terms in order to obtain consensus from divergent stakeholders. Ambiguity makes the evaluation of

performance all the more difficult due to subjectivity and conflicting goals among stakeholders (Kanter, 1981; Allison, 1984; Denhardt, 1991).

The characteristic of a pluralistic environment contributes to lack of performance measures because bureaus must evaluate performance according to multiple stakeholders, multiple constituencies, multiple principals, and multiple publics (O'Leary, 1994). Many factors and actors are simply beyond organizational ability to control. Performance feedback can be misleading: managers tend to prefer structural measures under their control; rank and file employees prefer process measures which they control; and customers prefer outcome measures because they are interested in results (Kanter and Summers, 1987). A pluralistic environment leads to different interpretations of effectiveness. Organizational adaptability is limited because individuals and groups exert controls and restrictions on organizational activities. Conflict and censorship among competing stakeholders makes change and adaptation slow and difficult.

Bureaus may have more control over certain organization-oriented characteristics, but performance measures are still lacking and unclear. Examples include: basing performance primarily on goal attainment; tunnel-vision centered on resource providers (resource dependency) rather than on customers or resource recipients; and gaps in incentives, personnel, and procedures used to allocate resources. Specifying goals can be problematic for bureaus because of multiple conflicting goals, vague and ambiguous goals, and contextual goals. Managers have difficulty conveying the meaning of ambiguous goals to employees, which complicates the measurement of goals (Wilson, 1989). In spite

of these problems concerning goals, the *goal model* remains a dominant method of interpreting organizational effectiveness and performance (Kanter, 1981).

Resource dependency means that organizations tend to alter their structures and activities to obtain the resources needed to function and survive. This situation can occur due to the disconnect between resource providers, and bureau clients or customers. They are typically not one in the same (Wilson, 1989). A preoccupation towards resource providers means that organizations are focusing on inputs instead of improving performance based on client satisfaction or desired outcomes. The bureau is placed between the proverbial rock and hard place. Resource inputs must be obtained to accomplish the mission, but clients and customers are concerned with products and service. The former is convenient to measure, but is not the organization's reason for existence. The latter is why the organization exists, but may not be directly related to resources flowing into the organization.

III. ALTERNATIVE FRAMEWORKS FOR IMPROVING ORGANIZATIONAL PERFORMANCE

This chapter identifies and describes six major frameworks for improving organizational performance developed in the U.S. since 1980 and applicable to the public sector: (1) total quality; (2) “excellence;" (3) reinvention, including the National Performance Review; (4) the Government Performance and Results Act of 1993; (5) the Baldrige Award; and (6) reengineering. The basic elements of each framework are described in order to increase clarity on the similarities and differences among them, and to lay the groundwork for subsequent analysis. More time is spent on the total quality framework because it is the oldest framework, and much has been written about ‘quality’ since 1980. It is also more thoroughly described because many of the words and concepts which are used in total quality, are also used in the other frameworks, i.e., processes, systems, leadership, values, and customers. Defining and discussing these terms as they are used in the total quality framework minimizes redundancy in later sections.

There have been other concepts, approaches, prescriptions, and ‘fads’ for improving organizational performance which are not included among the six major frameworks, i.e., zero-based budgeting; management by objectives; management by walking around; one-minute managing; long-range and strategic planning; and planning, programming and budgeting system (Drucker, 1964, 1969; Ansoff, 1984; Ban, 1995). The six frameworks which have been selected in this study all emerged in the U.S. since

1980 and received widespread prominence in government or business, or were led by nationally recognized proponents, or emerged through passage of public law. Each of the six frameworks offers different guidelines and recommendations for improving organizational performance, yet considerable confusion exists on which framework to use in the public sector (Dobyns and Crawford-Mason, 1994).

This chapter begins to clarify the problem of which framework to use in government bureaus to improve overall performance by describing the basic elements of each framework. Describing the alternative frameworks in terms of their basic elements sets the stage for the conclusion of the study (Chapter IV) where the frameworks are analyzed based on four criteria. The following four criteria were developed to determine the extent to which each framework is: (1) workable in a pluralistic, political environment; (2) realistic given constraints; (3) comprehensive from a systems perspective; and (4) capable of providing explicit measures of organizational performance. The framework which best satisfies the four criteria is identified in Chapter IV. Chapter IV concludes with basic guidelines to assist government leaders and managers to improve organizational performance.

A. TOTAL QUALITY FRAMEWORK

> In the fierce struggles soon to sweep through our schools, hospitals, businesses, trade unions, and governments, those who understand 'quality' will gain a strategic edge. The highest-quality power, however, comes from the application of knowledge. (Toffler, 1990:15)

It is hard to single-out one total quality framework because there are multiple perspectives on quality, i.e., Total Quality Control, Total Quality Management, Total Quality Leadership, Continuous Quality Improvement, Total Performance Management, and Total Quality Improvement (Ishikawa, 1985; Walton, 1986, 1990). This study centers on the Deming management system as the predominant total quality framework, but includes quality frameworks from Juran and Crosby for comparison purposes.

Total quality in each of the three variations requires managers to shift from an analytical dominant perspective to a systems-thinking methodology. The analytical method of thinking which has existed for four hundred years was sufficient for quantity production, but is inadequate for quality production which must be organized as a system (Dobyns and Crawford-Mason, 1994).

> To explain a system, you use synthesis. Instead of taking things apart and looking at each part separately, you put them all together and look at them as a single part of the expanded system to which they belong; that is, you expand your thinking and consider those elements that are outside what you control but that influence what you do. (p.39)

1. Background and Definitions

The year 1980 has been identified as a time when national awareness for quality, or a quality movement in business emerged in the United States (Walton, 1990; Hunt, 1993). A shift in organizational priorities from **quantity** (mass-production and inspection of end-products) to **quality** concepts (continual improvement of process, product, and service) occurred because American businesses perceived that they were falling behind Japan, who had been learning and applying quality techniques since the 1950s (Walton, 1986, 1990). Businesses began to undertake fundamental change toward 'quality' for reasons of efficiency and survival in the 1980s. Public sector, government organizations began their shift towards quality approaches several years later (Hunt, 1993).

On June 24, 1980, NBC News aired the documentary, "If Japan Can...Why Can't We?" This television show broached the phenomenon of why Japan was beginning to do better economically than America. An American statistician, W. Edwards Deming, explained the basics of his quality management system to an American television audience. He 'chastised' American management for lacking the determination to adopt statistical control of quality (Walton, 1986). Companies such as Ford, General Motors, Dow Chemical, and Hughes Aircraft, as well as many small companies enlisted his aid to teach them about his quality approach. By the 1990s, quality management principles were being applied across an array of private companies and in federal, state, and local governments (Hunt, 1993).

After the airing of the television show on quality in 1980, and after several years of reported business successes, the concept began to expand into variations of the quality concept, some of which reached into the public sector. President Reagan signed Executive Order 12552 on February 25, 1986, which established a productivity improvement program for selected federal government organizations to improve the efficiency, quality, and timeliness of service to the public (Hunt, 1993). Two years later in 1988, the Federal Quality Institute (FQI) was established to be a source of information on quality, and to train and educate federal agencies on quality techniques. The objectives of the FQI were to provide quality-awareness seminars, develop and maintain a roster of qualified private-sector consultants, and to operate a resource center on quality management (Hunt, 1993). On March 30, 1988, Secretary of Defense Frank Carlucci issued the *Department of Defense Posture On Quality* letter which initiated quality management in the DoD, and provided directions for implementing quality management practices (Hunt, 1993).

Quality is not easily defined, even though much has been written about it. Over 16 years have passed since the emergence of quality management practices in the U.S. (preceded by 30 years of development in Japan), and experts do not totally agree on the meaning of quality (Scherkenbach, 1992; Dobyns and Crawford-Mason, 1994). Quality is referred to in various way such as fitness for use (Juran, 1989); delighting the customer (Peters and Waterman, 1982; Deming 1986); meeting valid expectations of customers

(Crosby, 1984); living-up to agreements (Ackoff, 1981); and even, *IKIWISI*, or, 'I'll know it when I see it' (author unknown).

> Part of the problem, we think, is that the word 'quality' doesn't mean anything concrete, and the word is sometimes used as a sales gimmick to try to cover up a complete lack of quality. The TQM du jour is whatever the consultant says it is, and that concept is so abused by so many people that it has come to mean nothing at all. Whatever word you use, what you are talking about is the system by which quality or value (insert your word here) is produced. (Dobyns and Crawford-Mason, 1994:26-27)

Quality can be defined as the extent to which products and services conform to internal and external customer requirements (Hunt, 1994). The FQI defines quality as meeting customer requirements the first time and every time. The Department of Defense defines quality as conformance to a set of customer requirements that, when met, result in a product or service that is fit for its intended use (Wasik and Ryan, 1993). Although *meeting* customer requirements is a recurring theme in the literature on quality, some pundits warn that merely satisfying customers is inadequate, and that quality is distinctly a function of anticipating and exceeding customer expectations, including delighting customers (Peters and Waterman, 1982; Deming, 1986; Heapy and Gruska, 1995). Deming (1986) says that "the quality of any product or service has many scales," and that some of the definitions of quality are "antithetical" (p.169, 171). An example he uses is a hospital defining quality in terms of the number of patients under care: a large number of patients might indicate good medical service, i.e., serving many people; or it could

indicate the opposite, i.e., poor measures of public health or day care centers not doing the job.

> The problems inherent in attempts to define the quality of a product, almost any product, were stated by the master, Walter A. Shewart. The difficulty in defining quality is to translate future needs of the user into measurable characteristics, so that a product can be designed and turned out to give satisfaction at a price that the user will pay. This is not easy. (Shewart, in Deming, 1986:169)

Hunt (1993) defines quality as the extent to which products and services produced conform to customer requirements. He completes the definition by clarifying that an organization has both external and internal customers: the former is "a person or organization who receives a product, a service, or information, but who is not part of the organization supplying it;" and the latter is "a person or unit who receives output (product, service, or information) from another person or unit within the same unit or from another unit within the larger organization of which it is a part" (p.334).

Total quality is an altogether different concept than quality. Total quality infers an understanding and an application of relationships well beyond that of satisfying customers and making good products. In the least, total quality is an integrated system. In the extreme, it is a philosophy bordering on a religion (Walton, 1986). Recall that a *process* is any action that can be repeated, and a *system* is when two or more processes are organized to accomplish an aim (Dobyns and Crawford-Mason, 1994).

The U.S. Navy defines total quality in terms of Total Quality Leadership, or TQL. TQL in the Navy is based on Deming's quality management system, but is tailored for the military environment. Deming did not endorse any quality management approach which used only select components of his whole system (Dobyns and Crawford-Mason, 1994). The Navy's definition of TQL is provided as an example of how total quality can be defined and approached from a systemic view.

> TQL is the application of quantitative methods, and the knowledge of people to assess and improve: (1) materials and services supplied to the organization; (2) all the significant processes within the organization; and (3) meeting the needs of the end-user, now and in the future. (Department of the Navy, 1991:57)

A definition of total quality which captures more of the philosophy, components, and relationships of total quality based on Deming's approach is: **Total quality is a system of interrelationships among significant organizational components to improve organizational performance over the long run including strategy, tools, methods, and processes; the development and maintenance of relationships among suppliers, employees, and customers; and the understanding and application of knowledge, systems, psychology, and variation** (Deming, 1986; Scherkenbach, 1992).

2. Deming's 14 Points

> Deming is not easy to understand, principally, we believe, because of the number of changes his management system requires - changes in what you believe, in what you do, even in how you think about and define the economy. Managing for quantity - what we have done in the twentieth century - and managing for quality - what we must do in the twenty-first, are so completely unlike that they deserve different terms to describe them. (Dobyns and Crawford-Mason, 1994:31)

Deming clarifies in his book, *Out of the Crisis* (1986), that the main cause of the decline of the U.S. economic position for three decades is the prevailing system of management. He does not refer to quality improvement solely in incremental or marginal adjustments as some critics portray, but says that, "the change required is transformation, change of state, metamorphosis, in industry, education, and government" (Walton, 1990:10). He contends that the devastation of Western management is a simple failure to understand people and insists that, "the transformation is not stamping out fires, solving problems, nor cosmetic improvements" (p.10). He says the transformation must be led by top management, and organizational improvement can be accomplished through his 14 points.

Some of the basic ideas relevant to the concept of the total quality framework as captured by Deming are that it is a philosophy, rather than a program, recipe, or technique; it involves continual improvement (*kaizen*, from the Japanese); it is based on cooperation, not competition; and it requires an understanding and application of the

theories of systems, knowledge, psychology, and variation. Additionally, it cannot be delegated or merely supported, it must be leadership-driven (Walton, 1990). Other total quality concepts on which the 14 points are based include the following: building quality into products and services *costs* the overall organization *less* in the long-term; customers, employees, suppliers, and the community are all integrated components of a performance improvement system; and statistical processes must be used to make decisions, and to study, understand, and improve the overall system (Dobyns and Crawford-Mason, 1994).

Deming's 14 points are shown in **Table 9**. They are considered here to be the elements of total quality. "If you consider the 14 points as a group, rather than as disparate bits of information, you'll find that they represent a philosophy, a logical, humane, and pleasant way to get things done" (Dobyns and Crawford-Mason, 1994:70). "Both the philosophical foundation for Deming's managerial transformation, and the role assigned to statistical quality management control in the execution of that philosophy, are present in his 14-point program of quality management" (Hunt, 1993:64). Scherkenbach's (1992) book based almost entirely on the 14 points, *The Deming Route to Quality and Productivity*, clarifies that "no one sentence or even chapter can really capture the full intent of one point. It takes reading and rereading and pondering and doing to understand his philosophy" (p.i).

Table 9. Elements of Total Quality Framework

Based On Deming's 14 Points

14 Points: (Elements)	Discussion
1. Create constancy of purpose toward improvement of product & service.	The customer is central. Organizational aim is to stay in business, & provide jobs, by pleasing customers.
2. Adopt the new philosophy.	Transform from, "superstitious learning," to the "new philosophy" (Scherkenbach, 1992).
3. Cease dependence on inspection to achieve quality.	Inspect to improve the system & processes, not to achieve quality.
4. End the practice of awarding business on the basis of price tag alone.	Cheapest source is not always the best source; Seek long-term relationship with a single supplier who is part of the improvement system.
5. Improve constantly and forever the system of production & service.	Improvement is a long-term endeavor. Understanding & application of Profound Knowledge is required to make fact-based decisions.
6. Institute training.	Valid training saves costs in the long-term.
7. Institute leadership.	Aim of leadership is to help people do a better job, & to learn by objective methods who is in need of individual help.
8. Drive out fear.	*Fear* is related to at least 9 of the 14 points. *Fear* translates into economic loss.
9. Break down barriers between staff areas.	Uncontrolled competition is destructive. Cooperation is more productive than competition.
10. Eliminate slogans, exhortations & targets for the work force.	Slogans, compelling workers to change a system over which they have little or no control is frustrating & destructive
11. Eliminate numerical quotas.	Quotas are actually *limits*. Quotas are the antithesis of continual improvement. Quotas ignore quality & methods.
12. Remove barriers to pride of workmanship.	People have a *right* to pride of workmanship. Remove barriers: misguided supervisors, faulty equipment, & defective materials.
13. Institute a vigorous program of education.	Management & workers must be educated in new methods, i.e., teamwork & statistics. Education is lifelong & need not be work-related.
14. Take action to accomplish the transformation.	A top-management team with a plan of action to carry out the quality mission is required. A critical mass of people must understand the 14 Points, & the 7 Diseases & Obstacles.

Source: adapted from Deming, 1986; Mary Walton, 1990; Scherkenbach, 1992.

Point 1 in **Table 9**, Create Constancy of Purpose, does not refer to the typical organizational activities of establishing a mission, goals, and objectives. It refers to making the customer the central objective of all organizational efforts, both in the short-term and strategically. A simple, yet far-reaching aspect of point 1 is explained by Scherkenbach (1992): establishing *constancy* of purpose is a problem of the mean or central tendency, whereas maintaining *consistency* of purpose is a problem of the range or dispersion. Knowing *what* to do, establishing *constancy* of purpose, is a necessary condition for organizational success, but alone is insufficient. The strategy of top management for the future might be excellent for meeting customer needs and expectations, except for one thing: the rest of the organization is not following the course, i.e., there is wide dispersion about the mean. Everyone is off doing his or her best without systematic focus on the mean. The problem of managing the spread, maintaining *consistency* of purpose, is often much more difficult than managing the mean. "It is this reality that heavily contributes to the inefficiencies of Western business" (Scherkenbach, 1992:14).

Point 2, Adopt the New Philosophy, is a cornerstone for understanding how and why a quality approach differs from a quantity approach. Transformation from quantity to quality practices requires the adoption of a different set of principles. Managers must recognize that 'superstitious learning' (i.e., all competition is good), brought on by forty years of unprecedented industrial monopoly is deeply rooted into Western management

beliefs and practices. In short, management learned how to manage in a monopoly environment, which is different from a rapidly changing, globally competitive environment.

Explaining all the differences between *old* and *new* philosophies is beyond the scope of this study. One example of the old philosophy is that 'competition is good,' that it brings out the best in us, that it is fun (for the winners), and that it builds character (for the losers) (Dobyns and Crawford-Mason, 1994). Walton (1990) and Scherkenbach (1992) provide other examples: the workers are to blame for most of the problems; please the boss above all else; find the cause and fix the problem; risks and mistakes are bad; command and control is the best way to get things done; and organizational values have little relationship to the 'bottom-line.'

The 14 points express aims of a *new* philosophy, for example: management is responsible for organizational systems and processes and for most of the things that go wrong; please the customer above all else; understand the concept of variation in all things, then see if a problem falls in or outside the system before 'fixing' it; risks are necessary and some mistakes are inevitable during continual improvement; the boss is there to help workers learn and make improvements; and organizational values are related to the 'bottom line.' In fact, the last point infers that values and ethics must be thoroughly communicated throughout an organization, and continually examined and practiced by leaders and managers (Walton, 1990; Dobyns and Crawford-Mason, 1994).

Points 3 and 4 challenge the 'traditional' way of doing business (design it, make it, sell it). Point 3 is to Cease Dependence on Inspection to achieve quality, and point 4 is to

End the Practice of Awarding Business on the Basis of Price Tag Alone. Scherkenbach (1992) points out that mass-inspection is expensive in terms of the cost of inspectors, and in terms of dissatisfied customers who receive defective items which have slipped through the inspection process. Instead of relying on the lowest bidder to minimize costs, point 4 says to establish long-term relationships with suppliers, and to systematically involve them in customer expectations and in the system of continual improvement (Walton, 1990).

Point 5, concerns the concept and practice of Continual Improvement, which can be thought of as a cycle. Deming called it the Shewart Cycle (after its originator, Walter Shewart), the Japanese call it the Deming Cycle, and it is also know as the Plan, Do, Check, Act (PDCA) cycle, later revised to the Plan, Do, *Study*, Act cycle (Brassard, 1989; Walton, 1990). The PDCA cycle is a tool used to examine and improve almost any process. It is a variation of the scientific method of planning, testing, and analyzing hypotheses, then taking action based on observable results. "Briefly, a company plans a change, does it, checks the results and, depending on the results, acts either to standardize the change or to begin the cycle of improvement again with new information" (Walton, 1990:21).

Brassard (1989) points out that the practical application of the PDCA process is limited by organizational deficiencies: planning and evaluation functions are often separated from the 'doers,' which leads to compartmentation of job functions; planning is often relegated to a "seat of the pants approach" (based on intuition), and has not been

viewed as being where the action is; and there is both a lack of tools, and insufficient understanding of available tools to make planning integrated, relevant, and effective (p.2).

> Continual improvement (point 5) is the way to cease mass inspection (point 3), but to do either you will need to look at the overall price, not just the price tag (point 4) of supplies, none of which you would even consider doing if you had not learned the win-win philosophy (point 2) and determined what your purpose is (point 1). (Dobyns and Crawford-Mason, 1994:75)

Points 6 and 13, Institute Training and a Vigorous Program of Education, distinguish between training and education. "Training is more extensive in a quality management system because it must include both training for the necessary specific skills and training in teamwork and communication" (Dobyns and Crawford-Mason, 1994:76). It is not to be confused with education which has to do with, "anything whatever to keep people's minds developing" (Dobyns and Crawford-Mason, 1994:87).

> There is an important distinction between Points 6 and 13. Point 6 refers to the foundations of training for the management and for new employees. Point 13 refers to continual education and improvement of everyone on the job, or self-improvement. (Deming, 1986:54)

Point 7, Institute Leadership, is centered on the following: "the required transformation of Western style of management requires that managers be leaders" (Deming, 1986:54). This element includes training managers in leadership skills which are

different from managerial and supervisory skills. The transformation is from supervision (what was learned, required, and adequate in quantity approaches), to leadership. Deming defines leadership primarily in terms of roles, obligations, principles, and methods. A leader must *do* the following: learn, practice, and teach the 14 points in order to improve the system; *know* the work which he or she supervises; remove causes of failure to pride of workmanship; improve quality, output, and the performance of men, women, and machines (Deming, 1986; Hunt, 1993). A leader should not function as a *judge*, but as a *colleague* who councils and leads people on a daily basis, learning from them and with them (Deming, 1986). Scherkenbach (1992) clarifies that a supervisor must shift *from* the role of judge or overseer (as the name implies), *to* the role of coach and teacher who understands and makes fact-based decisions.

Point 8, Drive Out Fear, affects 9 of the 14 points and is based on the idea that no one can put forth their best performance unless they feel secure (*secure* means 'without fear' in Latin). Although Webster (1986) defines fear as an unpleasant sensation caused by nearness of danger or pain, Deming (1986) refers to other kinds of fear, where people are afraid to express ideas, ask questions, or make mistakes. He adds that a common denominator of fear in any form is, "loss from impaired performance, and padded figures" (p.59). In other words, fear degrades the bottom-line. Scherkenbach (1992) says that fear is the "antithesis" of the Deming philosophy, and that "without an atmosphere of mutual respect, no statistically based management system will work, nor any other" (p.75).

Fear in the workplace may be widespread, persistent, overlooked, or too formidable to deal with. "Faced with problems of people (management included), management, in my experience, goes into a state of paralysis. People can face almost any problem except the problems of people" (Deming, 1986:85). As Scherkenbach (1992) points out, many managers are steeped in 'superstitious learning,' which means that they must *unlearn* what they have *learned* so well.

The idea is that because fear degrades individual and organizational performance, management must work constantly and systematically to eliminate it. This is difficult due to the complexity, subtleties, and psychology of fear in the workplace. The result of fear is reduced competitiveness due to inability to respond to change. Walton (1990) says that fear adversely affects the 'bottom line,' and that the economic losses from fear are appalling.

Point 9, Remove Barriers, concerns the following: install teams and instill cooperation; abolish harmful internal competition; unify conflicting goals towards common aims; and remove or revamp incentive and performance measurement systems. Scherkenbach (1992) addresses it this way: "It is hard to really break down barriers if you are constantly sending in the police. Even if you call them consultants or assistants, it is what they do that counts" (p.82). He is referring to a phenomenon whereby employees are so engulfed with distractions (i.e., inspections, rules, compliance), that performance becomes secondary. Individual and unit survival become proxy goals. Preparing for, executing, and recovering from inspections and audits can displace useful work.

Competition for resources and for executive approval can displace more productive organizational aims. Teamwork is risky if the barrier of annual performance reviews pits employees against each other. “He that works to help other people may not have as much production to show for the annual rating as he would if he worked alone” (Deming, 1986:64).

Point 10, Eliminate Slogans, Exhortations, and Targets for the workforce, concerns the following: posters and slogans are often directed at the wrong people; they do not take into account that most of the problems come from the system; and they generate frustration, resentment, and anger because they emphasize to workers that management is unaware of the barriers to pride of workmanship (Deming, 1986; Walton, 1990). “Point 10 is not against banners, it is against blaming the workers for a lack of quality or suggesting that achieving quality and success are entirely in the workers’ hands” (Dobyns and Crawford-Mason, 1994:83). In summary: slogans and exhortations for workers to improve something which is beyond their limitations (or limitations of the system) are frustrating and ineffective. Slogans targeted at results are antithetical to the penultimate theme of total quality. The theme concerns the *method* by which results are achieved. It says that the means to an end do matter.

Point 11, Eliminate Numerical Quotas (i.e., work standards, rates, piece work) is more difficult to understand because people tend to think that it is logical and orderly to work to a numerical standard (Scherkenbach, 1992). Dobyns and Crawford-Mason (1994) reiterate a distinction between *quantity* and *quality* approaches when they point

out that numerical goals and quotas are hangovers from mass production. In a quantity approach for example, managers set numerical goals for workers to meet, i.e., produce ‘X’ number of widgets a day, increase production by ‘Y’ percent, or answer ‘Z’ number of phone calls per hour. These numerical quotas are really limits, in that they communicate to workers the objective of attaining some number. Questions arise such as how is the numerical target obtained, and how can workers *improve* anything when the objective is to meet a target?

> Work standards, rates, incentive pay, and piece work are manifestations of inability to understand and provide appropriate supervision. It is easier for an incoming manager to short-circuit his need for learning and his responsibilities, and instead to focus on the far end, to manage the outcome, get reports on quality, on failures, proportion defective, inventory, sales, people. Focus on outcome is not an effective way to improve a process or an activity. (Deming, 1986:72-76)

Deming (1986) says to eliminate numerical goals because they are totally incompatible with continual improvement (point 5), and they stifle pride of workmanship (point 12). He says to replace work standards, rates, and piece work with “intelligent supervision” (p.71). Managers should be doing things other than setting and monitoring numerical outcomes. For example, they should be leading everyone towards the overall aim of satisfying the customer by improving product and service (points 7 and 5), educating and teaching employees (points 6 and 13), and helping employees by removing barriers to pride of workmanship (point 12).

A clarifying point is needed because a question was raised on *how* numerical quotas are obtained. The applicable point is that quotas or standards *can* be used to improve performance *when* they are obtained and used in certain ways. For example, statistically obtained upper and lower control limits can be used to determine whether events are part of a stable or unstable system. This in turn can be used to help employees and managers determine where and what kind of adjustments to make. The actual statistical techniques are not discussed here, but they involve an understanding of variation and systems. In a quality system, data obtained from statistical methods are used primarily to improve processes, not to set numerical limits or quotas. Resources (data, work, and managerial activity) are concentrated on improving processes rather than on setting, attaining, and monitoring limits or outcomes. Scherkenbach (1992) summarizes this concept when he refers to goals which lie outside or inside of a statistical system:

> The goal is outside the historical system and thus cannot be met unless the incoming resources of the process are reblended by management. Unless management changes the system, the people might do their best, but it will not be enough to meet the goal. If the data from the process feedback loop show that the target is a part of the system, then the people on the job at least have a chance to meet it. (p.88)

Point 11 is about more than simply eliminating numerical standards. It is about obtaining the *kind* of numerical data which can be used to determine whether faults (defects, mistakes, accidents) are attributable to common causes of trouble, or whether they result from special causes. “Confusion between common causes and special causes

leads to frustration of everyone, and leads to greater variability and to higher costs, exactly contrary to what is needed" (Deming, 1986:315). This concept includes all types of variation, because as Hunt (1993) points out, all human activity contains unavoidable variations. In summary, management using a quality approach shifts its paradigm from management by numbers, quotas, and outcomes, to management by leadership, and management through understanding and application of systems, knowledge, variation, and psychology.

Point 12, Remove Barriers to Pride of Workmanship, challenges managers to eliminate anything which stands in the way of good performance, i.e., the annual merit rating system, management by objectives, misguided supervisors, faulty equipment, and defective materials (Walton, 1990; Scherkenbach, 1992). "Barriers exist in almost every plant, factory, company, department store, and government office in the United States today" (p.77). Point 12 is based on the principle that workers have a 'right' to be proud of their work, but many factors exist which prevent this from happening (Deming, 1986). Deming estimates that most troubles, and most possibilities for improvement add up to these proportions: "94 percent belong to the system (responsibility of management), and 6 percent are special" (p.315). Management has the power and the authority to eliminate many factors which prevent employees from being proud of their work.

Point 14, Take Action to Accomplish the Transformation, is difficult to explain and to accomplish (Scherkenbach, 1992). It requires top management to plan, implement, maintain, and improve the systematic conversion to total quality. A transformation cannot

be delegated or just supported. It must be owned, believed in, communicated by, and led by top management. Middle managers cannot do it alone, nor can employees. A *critical mass* of people throughout the organization must understand and apply the theories of Profound Knowledge expressed through the 14 points. Top management may have to break with tradition and struggle over every one of the 13 points. Agreement on difficult concepts must be reached, managers and employees must be trained, and short and long-term strategies must be formulated and implemented in order to carry-out the new philosophy (Deming, 1986; Walton, 1990).

The elements of total quality contained in the 14 points are like a roadmap, but there are also roadblocks standing in the way of transformation. Deming (1986) called them, "Seven Deadly Diseases, and Other Obstacles." Briefly, the diseases and obstacles are critical factors which afflict most organizations in the Western world, and which can severely limit or block implementation of total quality (Deming, 1986). "The distinction is intended to be partly in terms of difficulty of eradication, and partly in terms of severity of the injury inflicted" (p.97).

Table 10 lists the 'diseases,' which include the following: *lack of constancy of purpose* manifested through neglect of long-range planning; a myopic *focus on short-term accomplishments*; and the adverse effects of *merit rating systems* and *annual performance reviews*. "The effects of these are devastating - teamwork is destroyed, rivalry is nurtured" (Walton, 1990:19). For example, the performance rating system can be extremely persistent because many top managers got to their senior positions by coming

Table 10. Deming's Seven Deadly Diseases, and Other Obstacles

Seven Deadly Diseases (Serious)	Other Obstacles (Not quite so serious)
1. **Lack of constancy of purpose.**	Neglect of long-range planning.
2. **Emphasis on short-term profits.**	The supposition that fixing problems, automation, gadgets, & new machinery will transform industry.
3. **Evaluation of performance, merit rating, or annual review.**	Search for examples to copy, & "our problems are different" mentality, are obstacles. Organizations must understand *why* they are adopting quality management (knowledge), & must understand that people learn differently, (psychology & variation).
4. **Mobility of top management.**	Job-hopping managers lack understanding of the organization, & degrade continuity.
5. **Running a company on visible figures alone.**	The most important figures are unknown & unknowable, i.e., the "multiplier" effect of a happy customer.
6. **Excessive medical costs.**	Employee health care can be exacerbated by 'fear' in the workplace causing stress & costly side-effects, i.e., absenteeism & inter-departmental conflict.
7. **Excessive costs of warranty.**	Fueled by lawyers who work on the basis of contingency fees.

Source: adapted from Mary Walton, 1986.

out on top in every annual rating. This often occurs, "at the ruination of the lives of a score of other men" (Deming, 1986:116). This issue relates back to the old philosophy that competition is always good. Deming is saying that organizational performance is degraded because people are degraded. People are 'ranked' without considering whether their performance is part of, or outside of the system in which they work. This also relates back to constancy and consistency of purpose. The annual performance system can influence people to concentrate on individual performance, at the expense of organizational performance or constancy.

Another disease, *mobility of top management*, can disrupt organizational continuity. Job-hopping managers may lack understanding of organizational level of management maturity (Crosby, 1979). Many managers have learned that to 'climb the ladder' of individual success, they need to 'leave their mark' on an organization as they pass through it. This means that ongoing programs are often eliminated (whereby the manager claims cost savings), and/or new programs are initiated (whereby the manager claims credit).

Two other diseases are *excessive medical and warranty costs*. The former increases the costs of goods and services, and the latter is fueled by lawyers who generate work based on contingency fees (Walton, 1990). Deming says that employee health care is exacerbated by fear in the workplace which is manifested through absenteeism, turnover, and inter-departmental conflict.

3. Elements

According to Juran and Crosby

> Should you follow W. Edwards Deming, father of the Japanese total quality management revolution via statistical process control? Or Phil Crosby, author of *Quality Is Free,* and so prominent that GM bought a 10 percent stake in his organization? Or Joseph Juran? Or invent a system of your own? Eventually you will develop your own scheme if you are successful. (Peters, 1985:64)

Peters (1985) illustrates that there are alternative approaches to total quality besides Deming's approach. The views of Juran and Crosby are briefly described in order to introduce alternative elements of total quality. Additional discussion is also warranted because the concept of quality is expressed throughout the remaining frameworks. Although the basic concept of quality is fairly consistent among the three quality expert's, elements and approaches differ.

Juran played a significant role in fostering the development of total quality management practices in post-World War II Japan. His teachings repeat an often cited theme in the quality literature that *quality is the penultimate organizational goal* worth pursuing (Walton, 1990; Hunt, 1993). Juran's approach to total quality focuses more on improving individual products or services rather than on the organization as a whole. In other words, if the 'building blocks' (each separate product or service) meet customer requirements, then an organization-wide quality management program can emerge (Juran, 1988).

Juran identifies two false assumptions in managerial attitudes: *managers have not understood* that the source of most overall performance problems lies clearly within their domain, because they are responsible for the organizational systems; and *managers have failed to realize* that when quality management becomes an organizational way-of-life, then great gains in productivity are more likely.

He emphasizes that management is responsible for planning a quality approach, and for controlling and evaluating the results of quality activities. He proposes a "trilogy" of processes which can be used to install and maintain quality products and services. The three basic components of his trilogy include: quality planning, quality control, and quality improvements. The elements of total quality based on Juran's approach are captured in his "breakthrough sequence," which is shown in **Table 11**. The breakthrough sequence is a process, or a series of steps which is to be used while the trilogy is being established in an organization. The breakthrough process is also used as a "trouble-shooting tool," to keep the quality process running smoothly after it is established in an organization (Hunt, 1993:76). According to Juran, the breakthrough concept is critical because, "it is the means to achieve unprecedented levels of quality performance in an organization" (p.77).

Briefly, the elements of total quality based on Juran's breakthrough sequence are as follows: (1) managers must first prove to employees that a breakthrough is necessary, then construct a climate that is conducive to change; (2) Pareto chart analysis is used to identify and separate the 'vital few,' from the 'trivial many;' (3) breakthroughs in knowledge are obtained through an executive steering group with the authority to define

Table 11. Elements of Total Quality

According to Juran's Breakthrough Sequence

Breakthrough Sequence (Elements):	Discussion:
Breakthrough attitudes.	Managers must create a climate conducive to change, data must be used to demonstrate problems, & expected benefits must be explained.
Identify: the vital few projects.	Pareto chart analysis can be used to distinguish the 'vital few' from the 'trivial many.'
Organize: for breakthrough in knowledge.	Establish both an executive steering group to define the problem, & a process-action team to analyze the problem.
Conduct the analysis.	Determine whether defects are primarily operator controllable or management controllable; propose solutions.
Determine: how to overcome resistance to change.	Participation & consideration must occur in both the technical & the social aspects of change.
Institute the change.	Multiple requirements: problem presentation & explanation of the scope of the problem, alternatives, costs, potential impacts, time for reflection, & adequate training.
Institute controls.	Monitor solutions to ensure completion & adaptation, & to correct sporadic problems.

Source: adapted from J. M. Juran, 1988.

programs and overcome resistance to change, and diagnostic groups to analyze specific problems; (4) analysis is conducted by diagnostic groups to identify causes of problems, and to determine whether problems are operator controllable or management controllable; (5) systemic and behavioral resistance to change is identified and managed; and (6) change is instituted and controls are established to monitor solutions.

Crosby (1984), the third quality expert discussed says, "the main problem of total quality management as a management concern is that it is not taught in management schools. It is not considered to be a management function, but rather a technical one" (p.88). As a vice president of ITT for fourteen years, Crosby views total quality from a business perspective. He is convinced that organizational *learning* is directly related to organizational *maturity*, and that management should adopt quality principles for 'bottom line' purposes.

His approach to total quality calls for an organization to determine its level of management maturity. He describes levels of maturity along a continuum of the following descriptive stages: *uncertainty*; *awakening; enlightenment; wisdom;* and *certainty* (Crosby, 1979; Hunt, 1993). The levels of management maturity are determined using the following measurement categories: the extent to which management understands the relationship of quality practices to organizational success; the location of quality leaders in the organizational hierarchy; the methods by which an organization solves its quality problems; and (4) the extent to which quality improvements are regular and continuing activities. In summary, an organization must first determine its level of management

maturity, then implement a quality improvement program based on his 14 steps, which are shown in **Table 12**.

The elements of total quality according to Crosby are contained in his 14 step program. Management: commits to improvements in quality; communicates that commitment throughout the organization; and establishes quality improvement teams and methods for measuring quality (steps 1, 2, and 3). Cost-of-quality evaluations are conducted to identify where quality improvements are most productive (step 4). All employees are made aware of quality issues, and ideas for corrective action are generated from all levels, and resolved at the executive level where applicable (steps 5 and 6). Zero-defects planning, and zero-defects day (steps 7 and 9) are designed to establish a, "zero-defects culture, one in which the organization, in effect, does it right the first time, and the cost of quality management is reduced to its lowest possible level" (Hunt, 1993:58).

All levels of management are trained to implement the quality improvement program (step 8), and individuals establish improvement goals for themselves and their groups to turn commitments into action (step 10). Employees report problems to management which precludes error-free work, and management acknowledges reported problems (step 11). Public recognition is given to those who attain quality goals (step 12), and quality councils meet regularly to share lessons learned (step 13). Continual quality improvement is renewed in veteran employees and created in new ones by repeating steps 1-13 (step 14) (Hunt, 1993).

Table 12. Elements of Total Quality

According to Crosby's 14 Steps

14 Steps (Elements):	Discussion:
1. Management Commitment.	Top management commitment to quality. Organizationwide communications.
2. Quality Improvement Team.	Team(s) of department heads to oversee quality management improvement.
3. Quality Measurement.	Tailored methods established for every activity.
4. Cost-of-quality evaluation.	Budget office should make estimates to identify where quality improvements would be productive.
5. Quality awareness.	Blanketing the entire organization through multiple communication medium of trained supervisors, films, booklets, and posters.
6. Corrective action.	Generated by steps 3 & 4, as well as other avenues. Resolve at supervisory level or pushed up further.
7. Zero-defects planning.	An ad hoc team formed to plan a zero-defects program appropriate to the organization & its culture.
8. Supervisory training.	All levels of management must be trained.
9. Zero-defects day.	Scheduled in order to signal to employees that the organization has a new performance standard.
10. Goal setting.	Improvement goals established for individuals & groups that are specific & measurable.
11. Error-cause removal.	Employees encouraged to inform management of any problems preventing them from performing error-free work.
12. Recognition.	Public, nonfinancial appreciation to those who meet goals or perform outstandingly.
13. Quality councils.	Team chairpersons & quality professionals meet regularly to share experiences, problems, & ideas.
14. Do it all over again.	A never-ending process. Renew commitment of old employees & bring new ones into the process.

Source: adapted from Crosby, 1984; and Hunt, 1993.

All three quality experts advocate the need for organizations to adopt and implement quality management principles, and all three base their approach on commonly held expectations and assumptions, which are summarized below. Each of the three experts has separate views on what causes the 'quality vacuum' in organizations, which are shown in **Table 13**. Hunt (1993) summarizes commonalities among the three approaches. He says that each one:

> Requires a very strong and consistent top management commitment; shows that quality management practices will save, not cost money; places responsibility primarily on the managers and the systems they control; stresses that quality management is a never-ending, continuous process; is customer oriented; assumes a shift from an old to a new organizational culture; is founded on building a strong management-worker, problem-solving team. (p.82)

Table 13 compares aspects and root causes of the quality management crisis. Differences among the three frameworks include: (1) Crosby and Juran identify a step-by-step process, whereas with Deming, steps are not readily apparent and organizational tutoring may be needed; (2) Crosby and Deming describe a holistic approach, whereas Juran's method can be targeted at parts of an organization; and (3) Crosby's framework may be better suited to handling resistance, whereas Deming's approach is often perceived as dogmatic and uncompromising. Crosby places the roots of the problem of quality management inside the organization itself. Deming and Juran believe that the problem of quality management arises from post-World War II societal values (Hunt, 1993).

Table 13. Root Causes of the Quality Management Crisis According to Deming, Juran, and Crosby

	Nature of the crisis:	Cause of the crisis:	Solution:	Definition of quality:
Deming	Reliance on quantity methods, & loss of competitiveness.	Societal and organizational acceptance of low quality.	Society and organization committed to quality.	Customer centered philosophy based on Profound Knowledge & 14 Points.
Juran	Loss of competitiveness.	Organizational acceptance of low quality.	Organization committed to quality.	Product or service that is fit for use.
Crosby	Communication failure within the organization.	Lack of commitment to quality.	Organizational culture committed to quality.	Conformance to organization's own conformance requirements.

Source: V. Daniel Hunt, *Quality Management For Government*. 1993.

B. EXCELLENCE FRAMEWORK

1. Background and Definitions

> There's nothing new under the sun. Selznick and Barnard talked about culture and value shaping forty years ago. Herbert Simon began talking about limits to rationality at the same time. Chandler began writing about evolutionary analogues fifteen years ago. The problem is, first, that none of the ideas has yet become mainstream; they have had little or no effect on practicing businessmen. Second, and we think more important, all of them fall far, far short of depicting the richness and the variety of linkages that we observed in the excellent companies. (Peters and Waterman, 1982:117-118)

"In short, the core management practices in the excellent companies aren't just different. They set conventional management wisdom on its ear" (p.118). These sentences were written shortly after the quality movement emerged in American firms in the early 1980s. Peters and Waterman (1982) identified eight key attributes characteristic of 75 'highly regarded' firms which they studied and interviewed. The excellence approach, manifested through the eight attributes, gained considerable national prominence in the private and public sectors. On U.S. Military bases around the world, there are still "Centers of Excellence," denoting top-performing mission centers, and "Neighborhoods of Excellence," recognizing top-performing and well managed military housing areas. For these reasons, the excellence framework qualifies as one of the six major frameworks for improving organizational performance.

When Peters and Waterman (1982) wrote, *In Search of Excellence: Lessons From America's Best-Run Companies*, they were describing what they called a 'breakthrough' in the understanding of management and organizational effectiveness. They said that the state of theory during this time was in, "refreshing disarray, but moving toward a new consensus" (p.5). The opening quote in this section summarizes their view that organizational theories which were developed in earlier decades addressed concepts of culture, values, strategy, and structure. The breakthrough which they allude to concerns the richness and variety of the linkages among these concepts which they observed to exist in successful firms. Evidently, major companies across the U.S. had *shifted* from machine bureaucracies *to* innovative, adaptive, people-oriented firms. The theme of the excellence framework identifying that shift is summarized: "it is attention to employees, not work conditions per se, that has the dominant impact on productivity" (p.6).

The excellence framework originated from the McKinsey 7-S Framework, which originated partly from Alfred Chandlers seminal work, *Strategy and Structure* (1962). The 7-S framework incorporated the following seven, interdependent variables (the first two came from Chandler): *structure, strategy, staff* (people), *style* (of management), *systems, shared values* (culture), and *skills* (corporate strengths). Although the 7-S framework identified the importance of caring for both the 'software' (style, people, shared values), and the 'hardware' (strategy and structure) of an organization, Peters and Waterman added a critical missing variable, "innovation," thereby completing the excellence framework.

Innovation contains at least two meanings: creative people developing marketable new products and services; and the ability of an organization to continually respond to any kind of environmental change (Peters and Waterman, 1982). The second meaning is central to defining excellence. **Excellence can be defined as the ability of an organization to tack, revamp, transform, and adapt**. "The companies that seemed to us to have achieved that kind of innovative performance were the ones we labeled excellent companies" (p.12).

Excellence can also be defined as the capability to manage ambiguity and paradox. "If there is one striking feature of the excellent companies, it is this ability to manage ambiguity and paradox" (Peters and Waterman, 1982:xxiv). Perhaps excellence is best defined in terms of the eight attributes which Peters and Waterman (1982) say characterize excellent, innovative companies. **Excellence is the extent to which an organization *understands*, and *innovatively* and *intensely practices*: a Bias for Action; a Closeness to the Customer; Autonomy and Entrepreneurship; Productivity Through People; a Hands-on, Value-driven Philosophy; Sticking to their Knitting; Simplifying and maintaining Lean Staffs; and creating Simultaneous, Loose-Tight Properties.** These eight attributes comprise the elements of the excellence framework, and are discussed in the next section. Peters and Waterman (1982) found these elements to be characteristic of highly successful firms including Hewlett-Packard, IBM, Texas Instruments, Eastman Kodak, Johnson & Johnson, Proctor & Gamble, 3M, Delta Airlines, Fluor, Du Pont, Disney, Walmart, Maytag, Levi Strauss, Revlon, and Intel.

2. Elements

According to Peters and Waterman

The eight elements of the excellence framework according to Peters and Waterman (1982) are shown in **Table 14**. Element 1, a Bias for Action, says that effective organizations use task-forces or teams to combat 'paralysis by analysis.' "The hallmarks of task force work were strikingly different from the bureaucratic model. At the excellent companies, task forces were working the way they are supposed to" (p.129). The following are the main points for achieving a Bias for Action through teams: (1) the number of team members is ten or less; (2) the task force reporting level and the seniority of its members is proportional to the importance of the problem; (3) the duration of a team task is limited (four months or less), and membership is voluntary; (4) the team is pulled together rapidly when needed, and usually has no formal charter; (5) follow-up actions are swift; and (6) documentation is informal and often scant.

In elements 2 and 3, Close to the Customer, and Autonomy and Entrepreneurship, the former concerns the intensity and importance of listening to and learning from customers. It calls for an, "overcommitment to some form of quality, reliability or service" (p.157). The latter says that innovation success is a 'numbers game' which requires many attempts and many failures. In short, innovators must be given the freedom and encouragement to try new things, and failures should be anticipated.

Table 14. Excellence Elements

According to Peters and Waterman

Eight Attributes: (Elements)	Discussion:
1. A Bias for Action. (most important trait)	Complexity can cause organizational lethargy & inertia, which must be countered using a variety of action-device mechanisms controlled by management.
2. Close to the Customer.	Intense, regular listening to the customer. "Obsession" to some form of quality, reliability, or service.
3. Autonomy & Entrepreneurship.	Practical risk-taking & generation of a reasonable number of mistakes. Ability to be big & act small at the same time. Small manageable steps & intense informal communications.
4. Productivity through People.	Treatment of people: trust, individuals, family, adults, partners, dignity, your most important asset.
5. Hands-on, Value-driven.	A sound set of beliefs on which it premises all its policies & actions, & faithful adherence to those beliefs.
6. Stick to the knitting.	Unchanneled diversification a losing proposition. "Don't test new waters with both feet."
7. Simple Form, Lean Staff.	Basic simplicity of form (teams, task forces, project centers). Clarity on values. Staffs as umpires increase complexity. Continual reorganizing "around the edges," rarely the optimal form.
8. Simultaneous Loose-Tight Properties.	A summary: Rigid control of essentials (values, communications, feedback) alongside innovation, autonomy & entrepreneurship.

Source: adapted from Peters and Waterman, 1982.

“The crystal-clear message is that no matter how small the odds are of any one thing’s working, the probability of something’s succeeding is very high if you try lots of things” (p.209). There must be support systems in place to encourage (new product) champions and pioneers. In summary, “no support systems, no champions. No champions, no innovations” (p.211).

Element 4, Productivity Through People, relates to trust, and concerns things such as organizational ‘language.’ People perform best when they are treated as grownups, as partners, and with dignity and respect. “There was hardly a more pervasive theme in the excellent companies than respect for the individual” (p.238). A rigid, chain-of-command structure and mentality is replaced with cross-functional teams and informality. Organizational language and activities emphasize respect for the individual, and encourage organizational ‘story-telling,’ to remind everyone of past accomplishments. ‘Win-win’ outcomes are sought when handling personnel problems.

Element 5, Hands-on, Value-driven, concerns explicit attention to organizational values. There should be a set of beliefs on which an organization bases all of its policies and actions. Those beliefs and values must be communicated throughout the organization, and the content of the beliefs and values must be clear, and practiced by management. “The excellent companies are unashamed collectors and tellers of stories, of legends and myths in support of their beliefs” (p.282). The ‘hands-on’ portion of element 5 refers to the extent to which leaders personally generate excitement, create enthusiasm, maintain a climate of informality, encourage exuberance, and clarify and enliven the value system.

Element 6, Stick to the Knitting, says that an organization should not diversify too far from its core expertise. The rationale is that when an organization strays from its core field, then its values and themes can lose meaning. Organizations that do diversify, either internally or through acquisition, seem to do best when they do so around a single skill, i.e., the coating and bonding technology at 3M. Element 6 is not saying that all diversification is bad, nor that it invariably leads to poor performance. "We see, rather, that businesses that pursue *some* diversification - a basis for stability through adaptation - yet stick close to their knitting, tend to be the superior performers" (p.295).

Elements 7 and 8, Simple Form, Lean Staff, and Simultaneous Loose-Tight Properties, refer to the handling of complexity and adaptability. The former says that successful organizations have structures which respond to three primary needs: the need to efficiently accomplish organizational basics (by reducing staff numbers, and pushing autonomy down to the shop floor); the need for continual innovation (through support systems); and the need to avoid calcification (by breaking organizational habits). To summarize, excellent firms: maintain consistent, simple forms, and develop broad yet flexible enduring values (*stability pillar*); constantly hive-off new or expanded activities into new divisions as old divisions get big and bureaucratic (*entrepreneurial pillar*); and reorganize regularly to take advantage of special management talents or the need for market realignments (*habit-breaking pillar*). Element 8 contends that successful organizations are able to ensure the co-existence of strong central direction, *and* individual autonomy.

C. REINVENTION FRAMEWORK

1. Background

Ten years after Deming, and Peters and Waterman initiated the quality and excellence frameworks in 1980 and 1982 respectively, Osborne and Gaebler (1992) launched the reinvention framework in their book, *Reinventing Government: How the Entrepreneurial Spirit is Transforming America*. They described how various local, state, and federal government organizations were conducting business in radically different ways. One year later, the reinvention framework reemerged in the form of a federal government initiative called the National Performance Review (Gore, 1993; Kettl, 1994). The reinvention framework described here includes elements from Osborne and Gaebler's book, and elements from the National Performance Review (NPR).

Reinvention has affected hundreds of government bureaus and hundreds of thousands of federal employees, thereby qualifying as a major framework for improving organizational performance. Osborne and Gaebler (1992) contend that the last time our governments were reinvented was when they were coping with the new industrial economy during the Progressive Era and the New Deal prior to World War II. "Today, the world of government is once again in great flux. The emergence of a postindustrial, knowledge-based global economy has undermined old realities throughout the world, creating wonderful opportunities and frightening problems" (p.xvi).

Osborne and Gaebler (1992) distilled their reinvention findings into ten basic principles on how government organizations can improve performance. The National Performance Review distilled their 6-month study of the federal government into four basic principles in, "Creating A Government That Works Better and Costs Less," (Gore, 1993). Both of these groups of principles are considered to be relevant to the reinvention framework, and both sets of principles are discussed as elements of reinvention. The NPR is considered to be the *predominant* reinvention framework because it is an ongoing federal executive initiative impacting many federal bureaus. Additionally, with the re-election of the Clinton administration on November 5, 1996, the NPR will likely continue as a major Executive Branch initiative.

The NPR is fundamentally different from the eleven presidential commissions which have occurred since 1905. All of the initiatives were designed to change how government works. The NPR initiative is different in that it is designed to change how government organizations work by shifting their focus towards *customer-oriented, market principles* (Kettl, 1994). It proposes to change the whole culture of the federal workforce by emphasizing customers, and by instilling public entrepreneurship. The NPR has other implications: it is both an administrative and a political approach about how federal agencies should be organized, managed, and controlled; and it has a political objective of shifting power, authority, and control over administration in the federal government (Carroll, 1995).

The second phase of the National Performance Review (NPR II) is briefly mentioned here because it shifts the original focus of NPR I from *how* government works, to *what* government does (Carroll, 1995; Executive Office of the President, 1995). NPR II adds contributory themes to NPR I which are listed but not discussed as elements of the reinvention framework. The NPR II themes are basically follow-on political and programmatic goals rather than new NPR elements. The basic themes of NPR II include the following: consolidate programs; devolve program authority and responsibility to state and local government; privatize federal activities; and terminate programs and agencies (Kettl, 1994). NPR II includes the notion of 'performance partnerships' with state and local governments, and proposes to accomplish its goals through the following: establish financial performance incentives to states and localities to achieve program results; change the locus of decision making from federal, to state and local administrators; increase flexibility for state and local governments in experimenting with new programs; and establish new systems of results-oriented accountability (Carroll, 1995).

2. Definitions and Elements

To reinvent is to discover anew. Reinvention can be viewed as a process of discovering, making-over, or making-better, either through explicit design or serendipitously (as explorers reinvented maps when they found land unexpectedly).

Reinvention is the process of transforming bureaucratic organizations into entrepreneurial organizations, and creating better governance by instilling the following principles into government organizations: catalytic government; community-owned; competitive; mission-driven; results-oriented; customer-driven; enterprising; anticipatory; decentralized; and market-oriented government (Kettl, 1994; Carroll, 1995). At the core of the reinvention framework is the hypothesis that government must become more entrepreneurial if it is to restore public trust, compete in a global economy, and improve overall performance. If there is a wide continuum that exists between bureaucratic and entrepreneurial behavior, then reinvention is designed to shift government organizational behavior toward the latter.

Table 15 shows the elements of reinvention based on Osborne and Gaebler's (1992) ten principles. The elements are a tool, a checklist, and a roadmap for transforming government organizational performance. Element 1, Catalytic Government, says that federal organizations should *steer rather than row*. The idea is for a bureau to accomplish only what it does best which is, "raising resources and setting societal priorities through a democratic political process" (p.30). In other words, transfer as many activities as possible to the private sector, whereby firms can then accomplish what they do best which is, "organizing the production of goods and services" (p.30). This element contains '36 alternatives,' that bureaus can use to transfer public service delivery to the private sector ranging from *traditional* grants, subsidies, and contracting; to *innovative* and *avant-garde* methods such as, public-private partnerships, technical assistance, equity

Table 15. Reinvention Elements

Based on Osborne and Gaebler's 10 Principles

10 Principles (Elements):	Discussion:
1. **Catalytic Government:** Steer Rather Than Row	Separate policy decisions from service delivery. Focus on the process of governance.
2. **Community-Owned Government:** Empower Rather Than Serve	Communities: (1) have more commitment to their members, (2) understand and solve their problems better, & (3) are more flexible & creative than large service bureaucracies.
3. **Competitive Government:** Inject into Service Delivery	The "key" to unlock bureaucratic gridlock. Competition between teams & between organizations builds morale & encourages creativity.
4. **Mission-Driven Government:** Transform Rule-Driven Organizations	Cumulative effect of rules is gridlock. Mission-driven organizations are: more efficient & effective, more innovative & more flexible, & have higher morale than rule-driven organizations.
5. **Results-Oriented Government:** Fund Outcomes, Not Inputs	Change rewards & incentives. Fund outcomes to improve performance. Establish performance indicators.
6. **Customer-Driven Government:** Meet Customer Needs, Not the Bureaucracy	Most public organizations are "customer-blind." Expose employees directly to customers. Management should serve those who serve customers.
7. **Enterprising Government:** Earn Rather Than Spend	Turn the profit motive to public use. Turn managers into entrepreneurs by changing incentives. ID the true cost of services. Raise money by charging fees.
8. **Anticipatory Government:** Prevent Rather Than Cure	Bureaus are 'future-blind,' which is a serious flaw. Create consensus around a vision of the future. Emphasize strategic thinking & long-term budgeting.
9. **Decentralized Government:** From Hierarchy to Participation & Teamwork	Decentralized institutions are: more flexible & effective, more innovative, generate higher morale & greater productivity. Decentralize through participatory management.
10. **Market-Oriented Government:** Leverage Change Through the Market	Provide information to consumers, catalyze private sector suppliers, price activities through impact fees, manage demand through user fees, & use incentives vice commands.

Source: adapted from Osborne and Gaebler, 1992.

investments, quid pro quos, and sale, exchange, or use of federal property.

Elements 2 and 3, Community-Owned, and Competitive Government, concern empowering the people or customers which government organizations serve, and injecting competition into service delivery, respectively. In the former, the idea is to shift ownership (of public services) out of the bureaucracy, and into the community where feasible. Specific steps which bureaus could take include the following: "remove the barriers to community control; encourage organized communities to take control of services; provide seed money, training and technical assistance; and move the resources necessary to deal with problems into the control of community organizations" (p.71). Element 3 says, "competition drives us to embrace innovation and strive for excellence," and, "it holds the key that will unlock the bureaucratic gridlock that hamstrings so many public agencies" (p.80).

Elements 4 and 5, Mission-Driven, and Results-Oriented Government, concern reducing bureaucratic rules and red-tape so that employees are free to pursue the organization's mission, and measuring results instead of inputs, respectively. According to Osborne and Gaebler, mission-driven organizations are more efficient, effective, innovative, and flexible, and they have higher morale than rule-driven organizations. Element 5 concerns extensive measurement of performance related outcomes such as the following: the quality and effectiveness of production; the effectiveness of specific programs in achieving desired outcomes; the effectiveness of broader policies in achieving

goals; the cost to achieve goals; and the degree to which a program yields desired outcomes.

Elements 6 and 7, Customer-Driven, and Enterprising Government, concern listening to the voice of the customer, and turning the profit motive to public use, respectively. The former suggests '17 ways' to accomplish this, such as the following: customer and community surveys and follow-ups; increased customer contact through interviews, complaint tracking systems, customer councils, 800 numbers, quality guarantees, and electronic mail. Element 7 says that government organizations need to shift their attention *from* spending, *to* generating profits. Methods of accomplishing this include: raise money by charging fees to those who use public services; allow departments to keep all or part of any funds they save or earn; encourage competition with the private sector; and identify and publish the true cost of services.

Elements 8 and 9, Anticipatory, and Decentralized Government concern: shifting *away* from crisis-management (reacting to problems), and *towards* prevention of problems; and decentralizing hierarchy through employee participation and teamwork, respectively. Element 8 emphasizes meaningful use of strategic planning and long-term budgeting to anticipate and prevent problems. Element 9 says that decentralized organizations have the following advantages: greater flexibility and effectiveness, more innovation, and higher morale and greater productivity. Mechanisms for decentralizing public organizations include participatory management, labor-management cooperation, no-layoff policies, and use of cross-departmental teams.

Element 10, Market-Oriented Government, concerns bureaus undertaking more entrepreneurial roles such as, "facilitators, brokers, and seed capitalists" (p.280). This element also infers that the approach and deployment of bureau programs also needs reinventing. Programs are problematic in that they are often driven by constituencies and politics rather than by customers and policies. Additionally, government programs fail because they create 'turf' which agencies defend at all costs, create fragmented service delivery systems, are not self-correcting, and they rarely die. Steps to improve these types of problems, and to shift towards a market orientation include the following: provide useful information to consumers; create market institutions to fill gaps in the market (loans to small businesses, minority-owned businesses, and businesses owned by women); change public investment policy (investment in venture capital); act as brokers for buyers and sellers; manage demand for services through user fees; and strengthen communities (money for churches, community, and charity organizations).

Table 16 shows the four major elements of reinvention based on the National Performance Review (NPR). Element 1, Cut Red Tape, says to shift *from* systems which hold people accountable to rules, *to* systems which hold them accountable for results. The system of rules and red tape can be cut by accomplishing the following: streamline the budget and procurement processes; decentralize personnel policy; reorient the inspectors general to help organizations to learn better; eliminate thousands of regulations; and deregulate state and local governments.

Table 16. Reinvention Elements

Based on The National Performance Review

Elements of NPR:	Discussion:
1. Cut Red Tape;	Streamline the budget process & procurement. Decentralize personnel policy, & eliminate regulatory overkill. Reorient the Inspectors General, & empower state & local governments.
2. Put Customers First;	Give customers a voice & a choice. Make service organizations compete, & create market dynamics. Use market mechanisms to solve problems.
3. Empower Employees to Get Results;	Decentralize decision-making power, & hold all federal employees accountable for results. Give federal workers the tools they need, & enhance the quality of worklife. Form labor-management partnerships, & exert leadership.
4. Cut Back to Basics;	Eliminate what we don't need, & end special interest privileges. Invest in greater productivity, & reengineer programs to cut costs.

Source: adapted from Gore, 1993.

Element 2, Put Customers First, says to, "rationalize the way the federal government relates to the American people," by making the federal government customer friendly (Gore, 1993:43). The idea is to empower customers, break federal monopolies, and provide incentives for federal employees to serve customers. Methods include: ask customers how they view government services, and how those services can be improved; dismantle government monopolies and make agencies compete for customer business; turn government monopolies into more businesslike enterprises (where full competition is not practical); and shift federal functions *from* old-style bureaucracies, *to* market mechanisms.

Element 3, Empower Employees to Get Results, concerns changing the culture of federal organizations *from* bureaucracies *to* entrepreneurial activities. Steps include: delayer management and give decision-making power to those who do the work; replace command-and-control management with accountability for results; provide federal employees with better tools and training to make decisions; forge partnerships between labor and management; and offer top-down support for bottom-up decision-making.

Element 4, Cut Back to Basics, concerns eliminating or reinventing government programs by changing the underlying culture (again) of government bureaus. The idea is that, "agencies will request the consolidation and elimination of programs" (p.94), after the following reinvention activities are implemented: introduce market dynamics; expose unnecessary programs through annual performance measures; give customers the power to reject what they do not need; collect money by imposing or increasing user fees; and

make use of computers and telecommunications to reinvent government activities and revolutionize how services are delivered.

D. GOVERNMENT PERFORMANCE AND RESULTS ACT FRAMEWORK

1. Background and Purpose

The Government Performance and Results Act (GPRA) of 1993 is less developed as a major framework, but has the potential to affect many federal bureaus. Although enacted in 1993, implementation is limited to pilot projects until the Act actually becomes operational in 1997. It qualifies as a major framework for improving organizational performance because all agencies in the federal government with more than a $20M annual budget are required to comply; and it mandates direct linkages between strategic planning, financial accountability, customer input, and explicit measures of program and performance results (Carroll, 1995; Whittaker, 1995).

This Congressional step towards improving the performance of federal bureaus came from a bill sponsored by Senator William Roth, R-Del., which was signed into law by President Clinton on August 3, 1993. The Government Performance and Results Act (Public Law 103-62), established a strategic planning and performance budgeting framework requiring federal agencies to develop strategic plans containing measurable performance standards (Blackerby, 1994).

Measuring strategic performance of program outcomes is a relatively new challenge for federal bureaus, because they are accustomed to measuring inputs (Whittaker, 1995). Setting results-oriented performance goals which are linked to 5-year strategic plans is GPRA's central premise. Additionally, it is designed to transform change-resistant federal bureaus into customer-driven, entrepreneurial organizations (Kellam, 1995).

> OMB is authorized to require each agency to prepare an annual performance plan covering each program activity in the agency's budget. The plan is to: (1) state the goals of the activity; (2) express the goals in objective, quantifiable, measurable form; (3) identify the resources required to meet the goals; (4) establish performance indicators to measure outcomes; (5) compare results with goals; and (6) describe means to validate measured values. OMB is to report to Congress by May 1, 1997, experience with performance planning and budgeting in the pilot projects. (Carroll, 1995:306)

"The essential purpose of GPRA is to improve the effectiveness of the federal government and its many agencies, and to improve Americans' confidence in the federal government" (Whittaker, 1995:60). Whittaker adds that the new law *requires* federal organizations to analyze, identify, and document how their budgets are being spent in consonance with their strategic plans which must contain measurable performance indicators; and to consult with Congress and, "solicit and consider the views and suggestions of those entities potentially affected by or interested in their strategic plans" (p.59).

The GPRA framework is described in the literature in varying ways. It is presented in sweeping, positive-sounding promises designed to engender broad political and public support such as improving the following: federal program effectiveness and public accountability; congressional decision-making; and confidence and internal management practices of the federal government. It is also presented in terms of mandated requirements prescribing fairly precise directions and timetables for agencies to develop detailed strategic plans by 1997. For example, agencies are to develop yearly performance plans based on their strategic plans, set performance goals by 1999, and write annual performance reports comparing actual performance to strategic goals (Whittaker, 1995). The Act requires that program performance evaluations be specified in measurable, quantifiable terms, and that program results be compared with written strategic and performance objectives. Pilot projects are underway to test ‘performance budgeting,’ which is designed to link levels of planned outcomes to corresponding budget levels (Blackerby, 1994:19).

2. Elements

The elements of GPRA are shown in two separate tables. GPRA is centered around strategic planning, therefore strategic planning is defined and its basic *elements* are shown in **Table 17**. Blackerby's (1994) version of strategic planning is used because it specifically addresses GPRA requirements such as outcome measures and performance feedback. The second group of *elements* shown in **Table 18** summarize the GPRA requirements being placed on federal agencies.

Blackerby (1994) defines strategic planning as, "a continuous and systematic process where people make decisions about intended future outcomes, how outcomes are to be accomplished, and how success is measured and evaluated" (p.17). His model of strategic planning contains the following six basic elements of a strategic planning cycle which are shown in **Table 17**: Mission; Needs Assessment; Strategic Objectives; Outcome Measures; Strategies; and Performance Feed Forward.

A thorough coverage of strategic planning is beyond the scope of this study, however, basic elements of strategic planning are addressed in the context of the GPRA framework. Where applicable, strategic planning elements in **Table 17** are cross referenced with GPRA elements (requirements on bureaus) in **Table 18**. Element 1 in **Table 17**, Mission Statement, Goals, and Values, concerns the following: the *mission statement* gives direction to an organization and clarifies what it is trying to achieve, or what it *should* do as opposed to what it *is* doing; *measurable goals* are derived from the

Table 17. GPRA Framework

Elements of Strategic Planning

GPRA Framework: Elements of Strategic Planning	Discussion:
1. **Mission statement, goals & values.**	Concerns organizational vision of its future. Statement describes organizational purposes. Goals describe expected general results.
2. **External needs assessment.**	Appraisal, or environmental scan of key outside forces that can affect organizational success.
3. **Strategic objectives.**	Externally-focused, written statements that clearly describe measurable targets & intended outcomes.
4. **Outcome measures.**	One type of performance measure. A yardstick, tool, or indicator to assess the accomplishment of strategic objectives.
5. **Strategic priorities.**	Management decision concerning the ranking of strategic objectives in terms of their relative importance to the organization.
6. **Strategies.**	An approach, or implementation methodology that will lead to achievement of strategic objectives.
7. **Performance Feed Forward.**	A systematic procedure for comparing actual performance to planned performance. Used to accurately assess needs, & to improve outcomes in the future.

Source: adapted from Blackerby, 1994.

Table 18. GPRA Framework

Elements As Bureau Requirements

GPRA Framework: Elements As Bureau Requirements	**Discussion:**
1. Develop strategic plans by 1997; Describe *how* strategic goals & objectives are to be achieved.	Describe operational processes, skills, technology, human capital, information, & other resources required to meet goals & objectives.
2. Describe program evaluations used in establishing/revising general goals & objectives. Devise schedule for future program evaluations.	**Purpose:** *feeds* information about program performance *forward*, & provides information about which strategies proved effective, & which strategies did not work.
3. Provide outcome-based goals & objectives using a 5-year planning horizon. Update at least every 3-years.	**Purpose:** Congress cannot assess ultimate accountability for 5-year outcomes. Allows managers to shift targets; Encourages strategic planning for continuous quality improvement purposes, instead of for punishment.
4. Prepare annual performance plans for 1999, & describe how performance goals are related to strategic goals & objectives.	**Purpose:** Links strategic plans with performance plans. Helps develop necessary consensus by identifying organization customers.
5. Prepare performance reports by FY2000.	Measure performance by writing realistic, measurable, results-oriented strategic objectives. Criteria may be expressed in terms of percentage increases & decreases on some external effect.

Source: adapted from Whittaker, 1995; Blackerby, 1994; Carroll, 1995.

organizational mission, and focus on measuring performance rather than measuring efforts (i.e., measure outcomes vice outputs); and *values* are the principles which an organization considers essential to its overall business philosophy such as continuous improvement, employee education and development, fast response, and management by fact (Drucker, 1993; Blackerby, 1994).

Elements 2 and 3, External Needs Assessment and Strategic Objectives, concern appraising key outside forces that can influence organizational success in achieving its mission and goals; and written statements that describe intended outcomes, respectively. The former is also referred to as *environmental scanning*, and includes assessment of external forces, opportunities, and threats such as changing economic and technological conditions. The latter includes descriptions of *measurable targets* of achievement, and corresponds to elements 3 and 4, in **Table 18**. According to Blackerby (1994), strategic objectives are: externally focused; measurable; achievable; clearly written; and comprehensively describe intended outcomes of every function that the organization performs.

Elements 4 and 5, Outcome Measures and Strategic Priorities, concern the *standards* used to measure success; and the *ranking* of strategic objectives in order of their relative importance to organizational success, respectively. The former corresponds to element 5 in **Table 18** and, "describes the precise measurement that will generate a quantitative (or qualitative) indicator that is comparable to the performance target in the strategic objective" (Blackerby, 1994:19). The latter concerns the necessity for

management to carefully prioritize organizational objectives due to limited resources, and also because strategic priorities can guide budget decisions.

The last two elements, Strategies and Performance Feed Forward, concern the approach or implementation methodology for achieving strategic objectives; and the systematic procedure for comparing actual to planned performance, respectively. The former is critical because GPRA requires a description of *how* goals and objectives are to be achieved including operational processes, skills and technology, and the human, capital, and other resources necessary to accomplish goals and objectives. This element corresponds to elements 1 and 2, in **Table 18**. Element 7 in **Table 17** concerns program evaluation, management evaluation and audits, and accountability for outcomes. It relates to element 2 in **Table 18**. The idea is to *feed* information about performance accomplishments *forward*, to assess and adjust needs accordingly. This process corresponds to element 3 in **Table 18**, and is meant to encourage and allow managers to shift targets, based on analysis of whether strategies contributed to positive or negative effects.

E. THE BALDRIGE FRAMEWORK

1. Background

> There is some disagreement about the figures, but it is generally accepted that productivity increased more than 3 percent a year from 1947 to 1966, then suddenly dropped to just under 2 percent, and by 1973, productivity stopped growing. No one has ever been able to adequately explain exactly why that happened. If there is little agreement on anything else, almost everyone will agree that something is wrong. (Dobyns and Crawford-Mason, 1994:149-150)

Although U.S. business productivity went up 2.8 percent in 1992, and the standard of living went up 1.1 percent, "unfortunately, two blips don't make a solution" (p.151) Dobyns and Crawford-Mason (1994) go on to say that there is a fundamental problem concerning American productivity that has not been solved or even adequately recognized as a problem. "What led to the drop in productivity growth, we suggest, is the system of traditional American management" (p.151).

In June 1970, the Republican Congress approved President Nixon's proposed National Commission on Productivity to study the problem. The Commission involved government, labor, and business leaders for eight years in discussions on how to improve productivity, but the talks did not lead to a solution. It concluded that attention was needed in ten areas, such as capital investment, technology, and human resources.

"Nowhere in the ninety-two page report is there any suggestion that managing for quality is different from managing for quantity" (Dobyns and Crawford-Mason, 1994:155).

Five years later, in 1983, a news conference on productivity listed thirty reasons for the decline of American productivity. One of the thirty reasons was, "outdated management skills and a myopia that emphasizes quantity rather than quality" (p.157). In 1986, a bill was introduced and rejected in Congress to establish a national quality award. In 1987, the bill was redrafted carrying an endorsement from Commerce Secretary Malcolm Baldrige, who also happened to be a close friend of Ronald Reagan. (Malcolm Baldrige died in a rodeo accident on July 25, 1986, and it is generally believed that the bill was signed by Reagan so that he could honor his old friend) (Dobyns and Crawford-Mason, 1994:163).

The Malcolm Baldrige National Quality Award was established by Congress in 1987 (Public Law 100-107) to promote quality improvements, recognize quality achievements in U.S. companies, and to publicize successful performance strategies (Reimann, 1995). It is a major framework for improving organizational performance because it is widely accepted as the Nation's premier award for recognizing organizational excellence based on measurable criteria. Its criteria are being applied across a wide cross-section of private and public sector organizations to assess and improve organizational performance (Brown, 1995). Reimann (1995) describes its rapid expansion: (1) in 1991, less than ten states had award programs, now, over 40 state and local quality award programs are operating in 30 states; (2) internationally, about 25 quality programs have

been established within the past 3-years (many based on Baldrige criteria); and (3) in Japan, industry leaders are considering establishing an award modeled more closely after Baldrige.

Government bureaus, health care organizations, educational institutions, and nonprofit organizations are ineligible to submit applications for the Baldrige Award. However, the two main awards applicable to the federal sector since 1988, the President's Quality Award and the Quality Improvement Prototype Award, both use the Baldrige criteria almost exclusively. Because these public sector awards use the Baldrige criteria, the Baldrige framework, when referred to in this study, is inclusive of bureaus. From 1992 through 1996, government sector applicants were required to be autonomous, have their own defined mission, and provide products and services to the American public (Hunt, 1993).

Federal bureaus who demonstrate a high level of maturity in the approach, deployment, and results of quality management practices are eligible to win the award. There have been about 38 award recipients since 1988. All applicants receive written feedback reports, and up to ten applicants per year receive site visits prior to final judging and award selection by a panel of experts. A set of scoring guidelines which were developed by private and public quality executives and experts serve as the basis for the grading criteria. The scoring guidelines evolve each year to reflect learning in the award process itself. The award criteria measure the extent of approach, deployment, and results

of organizational quality efforts. Scoring can also be accomplished as an organizational self-assessment to determine level of maturity (Hunt, 1993; Leach, 1994).

To summarize other ideas relevant to the Baldrige framework: (1) it is not based on a single philosophy or guiding theory; (2) total quality experts (Deming and Crosby) oppose the Baldrige for many reasons (i.e., the idea of a management system is not included, the criteria ignore synthesis, and Deming would not accept that the Baldrige numbers meant anything); and (3) the Award is nonprescriptive, and does not describe *how* results are to be obtained (Dobyns and Crawford-Mason, 1994; Heapy and Gruska, 1995). "In fact, the objectives of the Award process include to identify and communicate the diversity of approaches that can be used by organizations to achieve quality and performance excellence" (Heapy and Gruska, 1995:xvii).

2. Elements

The Baldrige criteria are divided into seven categories which are referred to here as *elements* of the Baldrige framework. The seven elements are shown in **Table 19**, and each element focuses on one of the following major facets of organizational performance: Leadership; Information and Analysis; Strategic Planning; Human Resource Development and Management; Process Management; Business Results; and Customer Focus and Satisfaction. A comprehensive explanation of each element is beyond the scope

Table 19. Elements of the Baldrige Framework

Elements:	Discussion:
1. Leadership.	Ensures customer-focus organization-wide, & is open to new ideas. Systematically involves employees to improve its leadership system. Organizational vision is effectively communicated throughout workforce. Public responsibilities are taken into account.
2. Information & Analysis.	Information & data are managed to improve performance. Systematic comparison of competitors occurs to support quality efforts. Data used as feedback to improve understanding of processes & performance. Systematic analysis relating internal measures with customer satisfaction. Data is in a form that is readily usable when people need it.
3. Strategic planning.	Strategy & business plans consider the expected evolution of customer needs. Projections are made of the competitive environment. Views of customers, suppliers, & employees are deliberately sought & used.
4. Human Resource Development & Management.	Resources are provided to achieve goals. Employees feel and act empowered. Continuing employee education & training is available to entire workforce. Employee attendance & turnover are better than industry average. Employees feel their opinions are important. Systematic in-house surveys used to determine level of employee satisfaction. Appropriate changes in policies are made as a result of employee surveys. Employees provided systematic feedback on status of employee issues.
5. Process Management.	Ways are sought to improve processes that appear to be running smooth. Process control & improvement activities are applied to support areas. Organization has plans designed to evaluate supplier performance.
6. Business Results.	Continual business improvement has been evident as a trend. Evidence that all processes & programs really worked. Systematic comparisons with industry average, leaders & other benchmarks.
7. Customer Focus & Satisfaction.	Commitments to customers guides entire organization. Front-line employees have information to deal effectively with customers. Responses to customers are managed to preserve & build good relationships. Systematic processes are used to determine customer satisfaction. Offerings of competitors are systematically monitored.

Source: adapted from Heapy and Gruska, 1995.

of this study, however, essential points of each element are provided in **Table 19**, and are discussed briefly in the text.

The first element, Leadership, examines the extent to which senior executives are personally involved in: creating and sustaining an organization-wide customer focus; communicating clear values and expectations organization-wide; and maintaining and improving the entire quality management system. This means having a 'leadership system' which is systematically evaluated and improved upon, including how leaders improve their own leadership skills (Heapy and Gruska, 1995; Brown, 1995). "Thunderous leadership from the corner office may be necessary, but unless it's turned into a system of some kind and an ongoing organization, it perhaps does not achieve the kinds of ends that are important" (Frank, 1995:34). Also examined is the extent to which an organization addresses its responsibilities to the public, and *how* it leads and contributes as a citizen in its key communities.

Element 2 examines the management and effectiveness of Information and Analysis to support customer-driven, continuously-improved organizational performance. It examines the extent to which an organization is measuring what is important (key success factors), not necessarily what is easy to measure. This element attempts to determine the extent to which organizational information systems are aligned with strategic directions. It examines the scope, objectivity, and validity of information collected, the number of data sources, and how data are summarized on performance measures so that they can be used for analysis and improvement of organizational performance (Brown, 1995). The element

includes competitive comparisons and benchmarking, with the latter defined as a continuous process of systematically comparing and measuring products, services, and processes against leading organizations to improve performance (Heapy and Gruska, 1995).

Element 3, Strategic Planning, examines how an organization sets strategic directions, determines key planning requirements, and translates plan requirements into an effective performance management system (Frank, 1995). The element examines the extent to which customers, suppliers, and employees provide systematic input into the strategic planning process. One aspect is to ensure that the types of data collected are used to determine future direction and to develop specific business plans (Brown, 1995). Also considered is how strategy deployment considers organizational vision, customer-driven values and expectations, technological and societal risks, changing mission and operating requirements, organizational capabilities, and supplier and/or partner capabilities.

Element 4 examines how the workforce is enabled to develop and use its full potential, aligned with organizational performance objectives. It considers how Human Resource Development and Management is aligned with strategic and business plans, and the extent to which employees feel and act empowered. This element is concerned with the level of services, facilities, activities, and opportunities that an organization makes available to employees to enhance their well-being and job satisfaction (Brown, 1995). "The object of human resource development is to establish trust to demonstrate that the

company believes in the importance and worth of the employees" (Dobyns and Crawford-Mason, 1994:143). Also examined is the extent to which education and training serve as a key vehicle in building organizational and individual capabilities.

Element 5 examines the key aspects of Process Management including customer-focused design, product and service delivery processes, and support services and supply management involving all work units, including research and development. It examines the extent to which an organization uses a systematic method for analyzing the root causes of process upsets *before* implementing solutions (Frank, 1995). It considers how products, services, and delivery processes are addressed early in design by all appropriate units, suppliers, and partners to ensure integration and coordination.

Element 6 examines organizational performance and improvement in terms of key Business Results such as product and service quality, productivity and operational effectiveness, supply quality, and financial performance indicators linked to these areas. Evidence must be provided which demonstrates the extent to which all organizational processes and programs have worked to improve quality and overall performance (Brown, 1995). Human Resource results are included in this element such as employee development, and indicators of employee well-being and satisfaction. Results of supplier performance and improvement efforts are evaluated. This element excludes the measurement of customer satisfaction, which is its own separate element.

Element 7 accounts for about one third of the overall award score, because almost everything in the award is linked to Customer Focus and Satisfaction. It concerns

organizational systems for learning about customers, and how organizations establish, maintain, and improve customer relationships. It addresses the nature of relationships with customers, and how an organization is aware of those relationships. "There is little or no disagreement among the experts about how critical it is to stay ahead of your customers. The point of the Baldrige Award criteria is that you cannot stay ahead of them unless you have a system in place to find out what they want" (Dobyns and Crawford-Mason, 1994:146). The element examines the extent to which an organization ensures that formal and informal complaints and feedback received by all organization units are resolved effectively and promptly. Also examined in this category is *how* an organization determines customer satisfaction and customer satisfaction relative to competitors or similar organizations within or outside government, and *how* determination processes are evaluated and improved.

F. REENGINEERING FRAMEWORK

1. Background and Definitions

> Fundamentally, reengineering is about reversing the industrial revolution. Reengineering rejects the assumptions inherent in Adam Smith's industrial paradigm - the division of labor, economies of scale, hierarchical control, and all the other appurtenances of an early-stage developing economy. Reengineering is the search for new models of organizing work. Tradition counts for nothing. Reengineering is a new beginning. (Hammer and Champy, 1993:49)

The term 'reengineer' appeared in a Harvard Business Review article by Michael Hammer in 1990 entitled, "Reengineering Work: Don't Automate, Obliterate." In that article, Hammer said that the usual methods for improving performance in the 1980s, "process rationalization and automation," were not going to yield the kind of dramatic improvements that companies would need to operate in the 1990s (p.104). He explained:

> The watchwords of the new decade are innovation and speed, service and quality. We should obliterate embedded outdated processes, and reengineer our businesses. Use the power of modern information technology to radically redesign our business processes in order to achieve dramatic improvements in their performance. (p.104)

Reengineering began in the private sector and expanded into the public sector (similarly to total quality, excellence, reinvention, and Baldrige). It has gained widespread attention as a major framework for improving organizational performance, and claims to be 'revolutionary' in nature. Reengineering experts tend to agree on its basic distinguishing characteristics: it is *not* downsizing, restructuring, or incremental improvements of existing processes; it *is* extensive redesign of processes and dramatic improvements in performance; and it does often require radical departures in terms of the scope of processes addressed, the intensity of involvement needed by senior management, and the fundamentally different role information technology can play (Hammer, 1990; Gulden and Reck, 1992; Hammer and Champy, 1993; Corbin, 1993; Linden, 1994).

Reengineering has a range of definitions. Corbin (1993) says that reengineering requires discontinuous thinking and underlying organizational change, and that its defining point, and the source of its widespread popularity is because it promises to do what no other management principle has ever achieved. It promises to, "radically restructure an organization's work processes so that they yield quantum leaps in performance. Reengineering means rethinking and redesigning how work gets done" (Corbin, 1993:26).

Gulden and Reck (1992) define reengineering as, "radical redesign of the business processes, organizational structures, management systems, and values of an organization to achieve breakthroughs in business performance" (p.10). Hammer and Champy (1993), in their book: *Reengineering The Corporation: A Manifesto For Business Revolution*, define it as, "the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed" (p.32). They add that in order to obtain breakthroughs, existing processes must often be discarded and replaced rather than enhanced or improved.

From the public sector standpoint, Linden (1994) in, *Seamless Government: A Practical Guide to Reengineering in the Public Sector*, defines it as a, "radical improvement approach that critically examines, rethinks, and redesigns mission product and service processes within a political environment" (p.67). He says that it requires learning how to organize work in a integrated and holistic way, replacing specialists with generalists, and using cross-functional teams. Coopers & Lybrand (1992) say that

reengineering requires no less than a complete strategic reassessment of organizational capabilities.

2. Elements

Reengineering elements are described in the same basic arrangement as was used to describe reinvention elements. Namely, reengineering elements are first provided in **Table 20**, based on the main ideas from Hammer and Champy's (1993) book on the subject. Then a second set of reengineering elements are provided in **Table 21**, based on the main ideas from Linden's (1995) book, *A Guide To Reengineering Government*, which pertains specifically to the government sector.

Elements 1, 2, and 3 in **Table 20**, Role Changes, Organizational Structures, and Value Changes, concern the following: role-changes by everyone including leaders, managers, and workers; hierarchical structural changes focused around processes and teams instead of around functional silos; and organizational values as central to reengineering. In the first element, executive and managerial roles change *from* scorekeepers and supervisors, *to* leaders, coaches, and mentors. Workers roles change *form* controlled *to* empowered. The flattening of organizational structure addressed in the second element results from the elimination of unproductive work such as checking, reconciling, waiting, monitoring, and tracking. Also, information technology replaces or makes obsolete the work traditionally done by some middle managers (Champy, 1995).

Table 20. Elements of Reengineering
According to Hammer and Champy

Elements:	Discussion:
1. Role Changes: from scorekeepers to leaders, supervisors to coaches, & controlled to empowered.	Top management has responsibility for transforming organizational roles. Managers must facilitate, enable, and mentor. Workers make decisions, are motivated & empowered. Teams with responsibility & decision-making authority.
2. Organizational Structures: from hierarchical to flat.	Traditional managerial role diminished & changed. Work organized around processes, not departments. Work organized around teams.
3. Value Changes: from protective to productive.	Culture shift required: i.e., customers first, not bosses. Value statements reinforced by management systems.
4. Process Steps: combine jobs, perform in natural order, & reduce checks and controls.	Delinearize processes. Compress formerly distinct jobs into one. Encourage simultaneous accomplishments. Reduce non-value added work.
5. Job Preparation: from training to education.	Education is paramount for expecting all employees to 'do the right thing,' & exercise effective judgment.
6. Performance Measures: from activity to results.	Bonuses: for actual performance, not seniority. Pay: based on knowledge & skill; not on rank, seniority, position, or number of subordinates.

Source: adapted from Hammer and Champy, 1993.

Table 21. Elements of Reengineering

According to Linden

Elements:	**Discussion:**
1. Outcomes & Processes: organize around these, not around functions.	Three types of outcomes: customer, product, and/or process outcomes.
2. Parallel Processes: organize around these, not around sequential processes.	No trickle-down communications. People, technology, & a 'seamless' work. Perform things in parallel.
3. Information: bring downstream information upstream, & capture it once, at the source.	Information is most valuable up-front, & can be captured by 'partnering.' Delayer hierarchies. Streamline: capture information early & accurately.
4. Single Point of Contact: for customers and suppliers.	Customers & vendors deal with one person (a generalist position) who represents the entire process. Convenience of customer comes first.
5. Ensure a continuous flow of the main sequence.	Quick turnaround & prompt service. Eliminate non-value-added steps. 'One size fits only a few.'

Source: adapted from Linden, 1995.

The third element is saying that organizational values must be changed to support customer-oriented performance. Values must be reinforced both through managerial behaviors and management systems. For example, leaders are to demonstrate leadership through *signals* (explicit messages the leader sends to the organization), *symbols* (actions leaders perform to reinforce the content of the signals), and *systems* (to measure and reward performance in ways that encourage change) (Hammer and Champy, 1993).

Element 4, Process Steps, is a central tenant of reengineering. Jobs are combined and compressed around accomplishment of an entire process or task rather than 'handed-off' from department to department. Nonvalue-added work, such as checking and control steps are reduced or eliminated. Assembly-line work is eliminated and replaced with process teams which are, "a unit that naturally falls together to complete a whole piece of work" (Hammer and Champy, 1993:66).

Elements 5 and 6, Job Preparation and Performance Measures, concern the importance of education for empowering employees; and measuring and rewarding actual results of performance, respectively. The idea is that reengineered processes (element 4) will not work unless employees and teams are permitted and required to think, interact, use judgment, and make decisions. In short, if people must wait for supervisory direction of their tasks, then they are not empowered. Commensurate with these related concepts of education, empowerment, and decision making, is the requirement for organizations to reengineer their hiring and promotion criteria, i.e., based on character, self-discipline, self-starting ability, and motivation to embrace changes necessary to please customers.

All of the elements shown in **Table 21** are designed to reexamine and reestablish the way bureaus have been assembled for decades. The reengineering framework calls for a reassembly of many of the principles and activities on which government organizations have been traditionally developed such as division of labor, hierarchy, specialization, standardization, separations between line and staff, and distance among employees, consumers, suppliers, and vendors (Linden, 1995). The idea is to combine and reconfigure these divergent components into a systematic whole. They are to be blended together and streamlined, or eliminated. For example, a reengineered organization would provide the customer with one-stop shopping, would create single points of contact, and would form partnerships with suppliers and contractors.

Elements 1 and 2 in **Table 21**, organize around Outcomes and Processes, and Parallel Processes concern shifting *away* from a focus on internal activities, and *towards* work results based on customer, product, and process outcomes; and shifting *away* from fragmented, disconnected work, and *towards* 'seamless' work and processes performed in parallel. The former particularly applies to bureaus who have multiple customers and intangible products. The idea is that if there is an identifiable customer receiving a service, then organize around the *outcomes* of the customer receiving the service (not around the different functional specialties involved in providing the service). Similarly, if there is *not* an identifiable customer or tangible product, then organize around the *process*. The second element considers advantages of electronic communications. Namely, executives and workers can communicate instantly throughout the organization using E-mail and area

networks. Passing information sequentially up-and-down organizational layers is perceived to be wasteful and inefficient.

Elements 3 and 4, Information and Single Point of Contact concern shifting information 'up-front' in a process where it is more valuable; and ensuring that customers and suppliers deal with one person where possible, instead of with multiple representatives, respectively. The former refers to bringing typical 'downstream' information 'upstream.' For example, information technology and 'partnering' are used to take sequentially obtained information, and relocate that information at the forefront of a process or program where it is more valuable. Also addressed in element 3 is a shift *from* methods of capturing information frequently to assure control and accuracy, *to* capturing information once using on-line databases, bar-codes, and PC networks. This single-capture-of-information at the source is designed to streamline processes and reduce error.

The fifth element, Ensure a Continuous Flow, concerns the elimination of non-value-added steps, primarily through the use of information technology. Organizational activities focus on steps which add value such as quick turnaround and prompt service. The idea is that *organizing around the main sequence* is meant to save time. For example, E-mail and local area network systems allow simultaneous access by many individuals who can modify and make decisions on information without having to meet or route paperwork.

IV. ANALYSIS OF SIX MAJOR FRAMEWORKS AND GUIDELINES FOR LEADERS AND MANAGERS

This chapter analyzes the six major frameworks for improving organizational performance by determining the extent to which each framework satisfies four criteria. The four criteria referred to in Chapter I are explained in greater detail. A scoring system is used to evaluate each framework against the four criteria. A conclusion is reached on which framework best satisfies all the criteria. Guidelines are provided on what government practitioners (leaders, executives, and managers) can do to improve organizational performance.

A. EXPLANATION OF THE FOUR CRITERIA

The method used to analyze the alternative frameworks is to evaluate the extent to which each framework is: (1) workable in a political, pluralistic environment; (2) realistic given constraints; (3) comprehensive from a systems perspective; and (4) capable of providing explicit measures of organizational performance. The first two criteria address the political, pluralistic, and constraint-oriented environment found to exist in bureaus. The first criterion concerns the feasibility of a framework in organizations that are politically vice market-driven, and are characterized by multiple constituencies. These concepts (depicted in Tables 1-5) are summarized below:

The mode of social control in bureaus is *polyarchic* vice market driven. Basic control of a bureau is exerted primarily through *political exchanges*, instead of through the market or price-control system. Power is distributed and shared with influential stakeholders inside and outside the organization, and executives and managers have limited autonomy and authority to make fundamental changes.

Polyarchy involves *pluralism* and a *pluralistic political* process. Multiple government-authorities, multiple stakeholders, and multiple constituencies and interest groups are involved in a bargaining, persuasion, consensus, and tradeoff process. Different groups, diverse perspectives, and rival needs and circumstances must be reconciled in order for a framework to work towards improving performance.

The second criterion concerns the practicality of a framework given the constraints confronting bureaus. Although a political, pluralistic environment (criterion one) can be constraining, constraints in the second criterion refer to the broad array of multifaceted constraints internal and external to bureaus, for example: Congressional and institutional laws, rules and regulations; personnel, budgeting, and procurement system constraints; the civil service system, and the labor-management relationship; externally imposed societal constraints (i.e., expectations of equity and openness); and internal cultural constraints (i.e., management as control, employees as rule-oriented, and change perceived as pain). Tables 1-5, and 7-8 pertain.

The third criterion concerns a systems approach which is referred to throughout organizational theory and performance literature.

> The systems revolution involves two things: It involves the concept of a system, and it involves the use of science. We had science, but not the concept of a system. Asians had the concept of a system, but not the concept of science. That prevailed until after World War II. What's been happening, is Asians have been absorbing the concept of science faster than Westerners have been absorbing the concept of a system. (Ackoff, in Dobyns, 1994:17)

Other references on systems include: seamless government organizations have learned to organize work in holistic, integrated ways (Linden, 1994); the systematic management model implies that strategic decisions are global, made through an organization-wide systematic strategic planning process (Ansoff, 1987, 1990); high performance in successful organizations is far more systematic than it might first appear (Hardy and Schwartz, 1996); Deming's (1986) 14 points are meant to function as a system; and well-defined and well-designed processes must be integrated into a system to meet organizational quality and performance requirements (Hunt, 1993).

Comprehensive from a systems perspective concerns the extent to which the elements in a framework link-together into a logical whole, and the extent to which the overall framework addresses multiple factors of organizational performance, for example: strategy, structure, leadership, philosophy, vision, culture, skills, training, rewards, process and methods, and measurement. The objective of the criterion is not to evaluate a framework against a predetermined checklist of variables, but to consider its scope and depth. Expressed from the viewpoint of a government executive or manager: "How does this framework address all aspects of my organization that concern performance?"

The fourth criterion, capable of providing explicit measures of organizational performance, concerns the extent to which a framework is capable of measuring performance. The purpose of this criterion is to evaluate how a framework addresses the problems of measuring performance in bureaus (Tables 7 and 8 pertain). The following rationale pertains: If a framework improves organizational performance, then *what* about performance is improved? If something is improved, then *how* does one know? Improved *by what measure*? Put another way: how capable is a framework of providing explicit ways for an organization to *know* that it has improved performance? For example, if an element in a framework is to 'put customers first,' then how is this determined? How does the framework provide an organization with a means to measure that the customer is being put first?

B. ANALYSIS OF FRAMEWORKS BASED ON FOUR CRITERIA

1. Scoring System

The frameworks are presented in a different order than the roughly chronological order used in Chapter III. They are presented beginning with the framework that least satisfies all the criteria, and ending with the framework that best satisfies all the criteria. Each framework is assigned a score of **low, medium**, or **high** in each of the four criteria.

The low, medium, or high score represents the extent to which a framework satisfies a criterion, and score results are shown in **Table 22**. For example, the fourth row in **Table 22** is interpreted as follows: The National Performance Review reinvention framework is: (1) moderately workable in a political, pluralistic environment; (2) moderately realistic given constraints; (3) not very comprehensive from a systems perspective; and (4) not very capable of providing explicit measures of organizational performance.

A low score in a criterion does not mean that a framework is of little or no value to organizations, executives, and managers. Frameworks with low and high scores have been used with various success in different organizations. The assigned scores are partially subjective due to word semantics (i.e., low, moderate, high, workable, realistic), and due to the difficulty of interpreting performance concepts in the public sector. The six frameworks in this study contain over 50 elements (Tables 9, 14, 16, 17, 18, 19, and 21) which are evaluated against four criteria. Framework elements are condensed into a few main ideas to simplify the process of scoring frameworks against the criteria. The four criteria are specifically designed to capture the *environment* of bureaus (Tables 1-8), the *value* of a systems approach, and the *need* for explicit measures of organizational performance in the government sector.

Table 22. Summary of Framework Scores

Analyzed Against Four Criteria

Criteria: / Frameworks:	*Workable* in a political, pluralistic, environment:	*Realistic* given constraints:	*Comprehensive* from a systems perspective:	*Capable* of providing explicit measures of performance:
Excellence: (5 points)	M	L	L	L
Reengineer: (6 points)	L	L	H	L
GPRA-93: (6 points)	M	L	L	M
Reinvention NPR: (6 points)	M	M	L	L
Total Quality: (8 points)	M	M	H	L
Baldrige: (12 points)	H	H	H	H

(Extent to which criteria are satisfied).

L= Low = 1 point;
M= Moderate = 2 points;
H= High = 3 points;

2. Analysis of Excellence Framework

The excellence framework is: (1) moderately workable in a political, pluralistic environment; (2) not very realistic given constraints; (3) not very comprehensive from a systems perspective; and (4) not very capable of providing explicit measures of organizational performance. It is moderately workable because most of its elements are non-threatening to multiple stakeholders and constituencies. Few would disagree with being *close to the customer*, *productivity through people*, *hands-on value-driven* activities, *sticking to the knitting*, or *simple forms* and *lean staffs* (Table 14 refers). These are relatively apolitical, non-controversial objectives.

The score in the first criterion is moderate instead of high because two of the main elements, *a bias for action* and *autonomy and entrepreneurship*, are not highly compatible in a political, pluralistic environment. "The most important and visible outcropping of the action bias in the excellent companies is their willingness to try things out, to experiment" (Peters and Waterman, 1982). When an experiment goes awry in a bureau, constituency groups can be adversely affected, and resources can be wasted (or perceived to be wasted). Federal executives and managers who have a 'bias for action,' which takes them outside the polyarchic process of bargaining and negotiation among stakeholders may generate controversy. Influential interest groups may demand to know why they were not consulted before action was taken. Political overseers may demand to know by what

authority independent action was taken, and the public or media may call for disciplinary action against bureaucrats who are experimenting with their money.

Entrepreneurship entails risk. Risk-taking in a bureau incurs scrutiny. The excellence framework calls on managers to “try lots of things” (p.209). The Federalist Papers and the Constitution express a different philosophy towards government organizations which is not to try-lots-of-things, but to establish and maintain a legal and institutional framework for reconciling differences among individuals and groups in pursuit of national values and objectives (Carroll, 1995). These founding documents, and rules and procedures in budgeting and procurement systems do not encourage or reward autonomy and entrepreneurship on the part of civil servants.

The excellence framework is not very realistic given constraints for additional reasons. “Tolerance for failure is a very specific part of the excellent company culture” (p.223). Government organizations who *fail* to comply with an array of legal, societal, and environmental constraints face an array of obstacles. Congressional, special interest, and public tolerance for failure is very limited. Even the perception of failure in a bureau is commensurate with violation. To take it one step farther, many of the rules and constraints heaped on bureaus over the years were placed there because a government employee failed to comply with a rule, or was perceived to violate a societal expectation. To summarize, the score in this criterion is low because the excellence framework encourages experimentation, innovation, autonomy, and entrepreneurship. Whereas in a bureau, other attributes are encouraged such as compliance and uniformity.

The excellence framework does not provide explicit measures of organizational performance. "The excellent companies have a deeply ingrained philosophy that says, in effect, 'respect the individual,' 'make people winners,' 'let them stand out,' 'treat people as adults" (p.277). The framework does not address the measurement of any of these activities. Throughout the discussion on all eight of the excellence elements there are no explicit measures of organizational performance provided. For example: the most important trait among excellent organizations is an 'action orientation' (element 1), but the framework does not say how to measure actions, nor does it say how an organization knows which actions contribute to improved performance; excellent organizations are really close to their customers (element 2), but measuring proximity to customers is not addressed; one key to a people orientation is trust (element 4), but the framework does not provide ways to measure trust.

3. Analysis of Reengineering Framework

> Reengineering is in trouble. The partial revolution is not the one I intended. If I've learned anything in the last 18 months, it is that the revolution we started has gone, at best, only halfway. I have also learned that half a revolution is not better than none. It may, in fact, be worse. (Champy, 1995:3)

The reengineering framework is: (1) not very workable in a political, pluralistic environment; (2) not very realistic given constraints; (3) highly comprehensive from a

systems perspective; and (4) not very capable of providing explicit measures of organizational performance. Radically redesigning organizational structure, processes, and culture is not very workable or realistic in a political, pluralistic, constraint-oriented environment. Radical change in a government bureau surprises and upsets multiple stakeholders. Bureaus are resourced and constrained by Congressional authority, and cannot be significantly altered without political consent and support. Influential stakeholders and multiple constituencies want to bargain and negotiate proposed changes, not find out about them after they were radically redesigned.

Reengineering may be "in trouble" because it often requires an organization to redefine and restructure its significant activities, often from the ground-up. This can be a monumental task, even in a firm which is privately owned and funded. Government executives and managers do not 'own' their assets. They have limited or no authority to redesign, alter, or discard significant organizational components. If a program or a division is having problems or losing money, they cannot easily divest, and transfer or acquire additional resources. Powerful interest groups such as labor unions and environmental groups can gridlock projects and activities if they desire.

The main point in evaluating the reengineering framework against the first two criteria is that incremental change, not drastic change, is more workable and realistic in the environment of bureaus. Multiple constituencies need time to provide input and anticipate impacts from proposed changes. Political overseers need time to assess how changes will be perceived by the constituencies who keep them in power. Changes must be presented

and interpreted in political terms, which can be more complex than economic considerations. In summary, government rules, regulations, and systems are not easily reengineered.

The reengineering framework is highly comprehensive from a systems perspective because it addresses multiple aspects of organizational performance including structure, processes, culture, customers, and outcomes (Tables 20-21 refer). It considers a wide array of factors affecting organizational performance. Its logic is comprehensive in that it requires leaders and managers to rethink why their organization's do what they do, and why they do it the way they do. It calls for leaders and managers to question the purpose of tacit rules and assumptions that influence how work is accomplished. It says of people: decision-making is part of everyone's job; empower workers instead of controlling them; character is an important issue in hiring and promotions; managers change *from* supervisors *to* coaches and mentors, and they need strong interpersonal skills; and executives change from scorekeepers to leaders. It says of structures: replace departmental structures with process teams; and organizational structures change *from* hierarchical *to* flat. It says of processes: reengineer processes across departmental lines; and reduce checks and controls. It adds that education should continue over the lifetime of a job, and technology enables organizations to break old rules and create new ways of working.

Reengineering does not provide explicit measures of organizational performance. For example, it says to, "be careful to keep the performance measures clear and simple so

that there is no misunderstanding about your objectives," but it does not address how to measure clear and simple performance measures, nor does it address how to correlate performance measures with improved performance (Champy, 1995:196). There are examples of organizations which have increased their productivity and profits by flattening structures, increasing spans of control, and introducing team- and skill-based pay schemes; but there is no mention of how these activities are measured. It is unclear how an organization is to correlate these activities with improved performance. Reengineering calls for managers to transform *from* supervisors *to* coaches, and for executives to transform *from* scorekeepers *to* leaders (Table 20 refers). It is unclear what the provisions are for measuring these transformations. How is an organization to know that its supervisors are becoming coaches, and that its executives are becoming leaders? By what measure does coaching correlate with improved performance? In summary, the reengineering framework is at the forefront of a new approach to managing work, but it does not provide ways for managers to measure accomplishment of its objectives.

4. Analysis of the Government Performance and Results Act (GPRA) Framework

Analysis of the Government Performance and Results Act (GPRA) framework is brief because the Act was passed in 1993, but is not implemented until 1997 and beyond. The scores are based on how GPRA proposes to improve bureau performance over the

next ten years. The GPRA framework appears to be: (1) moderately workable in a political, pluralistic environment; (2) not very realistic given constraints; (3) not very comprehensive from a systems perspective; and (4) moderately capable of providing explicit measures of organizational performance. The framework is moderately workable in a political environment because it establishes a strategic planning and performance budgeting framework for the federal government through Public Law, to be developed and administered by the Office of Management and Budget (OMB). The framework is also moderately workable because it, “promises to link the big politics of reducing the size of government and the little politics of improving its performance” (Kettl, 1994:44). Linking budget inputs with performance outcomes has clear political and public appeal. Kettl (1994) notes that it is the first of the reforms launched by law, instead of by executive order or administrative action. “GPRA’s base in law ensures both congressional and executive branch involvement and makes it harder for its sponsors to retreat” (p.43).

The framework is not very realistic due to multiple constraints. Although it was just stated that GPRA originates from Congressional law, and has citizen and political appeal, it also has shortfalls. One shortfall is how it is perceived by federal executives. Congressionally mandated strategic performance indicators are perceived by some executives as accounting and enforcement tools (Carroll, 1995). ”GPRA will proliferate red tape and increase Congress’ oversight powers. Congress will decide what performance measures are adopted, determine whether they are met, and decide what further action is necessary” (p.306). Although GPRA is supposed to improve confidence

in the federal government, and improve its internal management, some fear that the law will hold agencies accountable for achieving program results over which they have little control (Whittaker, 1995).

There are other constraint issues. The problem of mobility of top management makes it hard for agencies to sustain a long-term focus. There is also the critical problem of ensuring that short-term budget demands do not drive out assessment of long-term management problems. Political appointees and senior federal executives average 18 to 24 months per job rotation (Whittaker, 1995). It is not very realistic to assume that a string of senior executives over a five to ten year period will all agree with, support, and maintain any long-term strategic plan.

Kettl (1994) and Whittaker (1995) mention other reasons why GPRA is only moderately workable, and not very realistic: downsizing seriously limits the capacity of agencies to conduct meaningful strategic planning; there are currently no incentives to implement GPRA other than complying with the letter of the law; and the short-term predilection of the federal government is hard to overcome. Defining goals in the public sector is notoriously difficult because greater specificity attracts greater political conflict. Kettl goes on to note that even if results can be measured and compared with goals, it is hard to gain an audience. "Elected officials frequently gain far more value by supporting new programs than by overseeing performance. Administrators have few incentives for allowing anyone to measure what they actually do" (Kettl, 1994:44).

The GPRA framework is not very comprehensive from a systems perspective, and may be only moderately capable of providing explicit measures of organizational performance. It says that stakeholders and customers must be contacted for their input while an agency develops strategic plans, but it does not describe how these inputs are to be systematically integrated. The framework says that accountability for results will entail cultural changes in the federal workforce. It is unclear how an organization can use the framework to positively affect cultural changes.

The GPRA framework is not based on any philosophy or theoretical underpinnings, other than the efficacy of obtaining results. No clear methodology of how results are to be obtained is described. Strategic planning is addressed, but other significant organizational factors are omitted such as structure, leadership, vision, or methodology. On a conceptual level, GPRA may be difficult for many managers to understand. The "deer in the headlights" phenomenon may occur (author unknown), i.e., managers are presented with requirements to develop five-year strategic plans containing financial and accounting performance indicators to measure accomplishment of strategic objectives; eyes widen in disbelief as the apparition approaches, and avoidance, or minimizing impact becomes the primary goal.

The score is moderate in the explicit measures criterion because GPRA is centered on the difficult task of performance measurement. The moderate score gives GPRA some benefit of the doubt. Linking strategic plans and objectives to the budget process has the potential to make radical, positive changes in the way government bureaus operate.

Requirements to write annual performance reports comparing actual to planned performance levels may help bureaus to capture a much-needed strategic focus. Building plans which attempt to measure the effects of government actions on external customers shows great promise. It is unclear how agencies are to accomplish these performance measurement challenges. Results of pilot projects are expected in early 1997.

5. Analysis of The Reinvention Framework: The National Performance Review

Analysis of the reinvention framework is centered on reinventing government, expressed through the National Performance Review (NPR). In this analysis, the reinvention framework is considered to be synonymous with the NPR. The reinvention framework/NPR is: (1) moderately workable in a political, pluralistic environment; (2) moderately realistic given constraints; (3) not very comprehensive from a systems perspective; and (4) not very capable of providing explicit measures of organizational performance. Reinvention is moderately workable in a political, pluralistic environment because it originated from a 6-month study of the federal government conducted by federal workers and government officials, management experts, business leaders, and private citizens. Reinvention is supported by the Clinton administration, and administered by the Office of Management and Budget (OMB).

There are basically three different NPRs, all with a political orientation: the NPRs supreme commanders and senior staff members working out of the vice president's office; the NPRs skeletal staff who coordinate reform issues; and an army of reinventers throughout the executive branch and individual agencies who are responsible for acting on 384 recommendations from the 1993 NPR report (Kettl, 1994). A broad public constituency, moderate Congressional support, and many private citizens and federal employees are in favor of a framework which can make government perform better and cost less.

The reason that the score is moderate instead of high is due to political flaws. At least one major constituency is adversely affected (federal managers), and there is a fundamental disconnect between the words of the subtitle of Gore's (1993) NPR Report: a government that "works better and costs less." Reinventers (including Osborne) are concerned with making it 'work better,' *by improving it*. Political strategists, on the other hand, are concerned with making it 'cost less,' *by shrinking it*. The primary strategy to make it cost less, is to eliminate 272,900 federal jobs, with over half of those coming from middle-management. This strategy alienates the very managers (and some employees) who will be required to carry-out the reforms necessary to make reinvention work. Besides being worried about losing their jobs, federal managers are also concerned about the details of 'empowerment' (a primary element of reinvention, Table 16). The problem lies with targeting managers for major cuts while simultaneously empowering them to take more risks. A final reason why the score is moderate instead of high is because there is no

explicit strategy for dealing with Congress, which has a direct bearing on reinvention efforts (Kettl, 1994; Kellam, 1995; Carroll, 1995).

> No reform that really matters can be achieved without at least implicit congressional support. Members of Congress had everything to gain from embracing the broad principles of reinvention and then protecting their constituents and favorite programs behind the scenes in committee rooms and little-noticed riders to complex bills. (Kettl, 1994:vi)

Few argue with the need to cut red tape, put customers first, empower employees, and cut back to basics. Decentralizing bureaucratic authority, creating labor-management partnerships, holding agencies accountable for results, and changing the culture of government employees are all popular ideas. What is not clear, however, is what the concepts mean. Exactly how are managers to accomplish these objectives?

The reinvention framework is moderately realistic given constraints because it has had moderate results on reducing some constraints. For example, Congress put into law more than one-fourth of the 300 Gore recommendations that required legislation; government procurement has been overhauled; the Agriculture Department has been streamlined; financial incentives have been provided for federal employees to resign; and both the 10,000-page Federal Personnel Manual and the SF-171 application form have been eliminated (Kettl, 1994; O'Rourke, 1995). Reinvention has sparked a flurry of activity, enthusiasm, and positive efforts on the part of thousands of federal employees. More than 200 reinvention labs have sprung-up across the federal government. The

reinvention framework has accelerated the pace of change, attracted citizens, drawn media attention to government, and made the point that management matters (Nathan, 1995; Kettl, 1994). In short, reinvention *is* overcoming some constraints.

The reinvention framework is not very comprehensive from a systems perspective because it does not address a broad array of organizational components and problems, and because its elements suffer from 'fuzzy logic' (Kettl, 1994). For example: at what point, and who decides, when procedural due process and administrative safeguards become red tape? Who are the customers, and does customer service contradict other bureau goals? Who decides what 'the basics' are? What will prevent entrepreneurial, empowered, federal managers from shifting into quasi-independent operators? How will public interest be ensured over private behavior? These questions are meant to illustrate that the reinvention framework lacks clarity, and is not comprehensive. Posing broad prescriptive solutions which raise more questions than answers, is not very systematic or comprehensive.

A more mature systems approach would have been to *first* determine what government organizations needed to improve performance, *then* streamline personnel to fit those requirements. Unfortunately, the approach went in reverse order. Not only was the approach backwards, but the reduction quotas were SWAGs (scientific wild-assessment guesses). NPR advisors *first* estimated the control and micromanagement force in government to be about 670,000; then *determined* that number was twice too many; so they *added* a one-quarter fudge-factor back-in to the cut-in-half figure. This provided a

personnel reduction target of 272,900, which was promptly advertised as the way to make government work better and cost less ($108B less) (Kettl, 1994).

In summary, the NPR reinvention framework is not very comprehensive or systematic because it is too focused on personnel reductions and cost savings. Performance improvement is decidedly secondary. It has stimulated some impressive developments, but it is unclear how the framework proposes to change the culture of the federal workforce. Exhortation and symbolism to do *more with less*, are resulting in the realism of doing *less with less*. "Congress proved eager to support the savings proposals in general but often backed away from taking the actions in particular required to achieve them" (Kettl, 1993:10).

The NPR framework does not provide explicit measures of organizational performance. It says to reward employees and agencies based on measurable outcomes but it does not say what those outcomes are, or how to measure them. It says to put customers first, but does not address how a bureau is to know that this is being done, other than by conducting surveys. It says to use market mechanisms to solve problems, but does not say which market mechanisms to use, nor how using market mechanisms is to be correlated with improved performance. It says to, "do everything smarter, better, faster, and cheaper," but it does not say how to measure these activities, nor how they are linked to a performance management system (Gore, 1993:66).

6. Analysis of Total Quality Framework

The total quality framework is: (1) moderately workable in a political, pluralistic environment; (2) moderately realistic given constraints; (3) highly comprehensive from a systems perspective; and (4) not very capable of providing explicit measures of organizational performance. The framework is moderately workable because most of the TQ philosophy and many of the 14 points make sense to multiple stakeholders. Driving fear out of the workplace and removing barriers to pride of workmanship are examples of TQ concepts which have strong political and practical appeal. Striving for continual improvement and training and educating the entire workforce are powerful ideas for improving organizational performance.

On the other hand, TQ is only moderately workable because some of the philosophy and a few of the elements are hard to understand and apply. Portions of the framework challenge traditional ways of accomplishing work. For example, managers typically deal with variations (events outside the expected norm) by treating all problems basically the same way; find the cause and fix the problem. Managers using the total quality approach deal with variations by first understanding that there is variation in all things, then by determining through statistical processes whether a problem is outside or inside a system. Fixing a problem that is inside the system, without changing the system is, according to TQ tampering, and tampering tends to make things worse.

Ceasing dependence on inspection, awarding contracts based on other than lowest price, eliminating slogans, quotas, performance appraisal systems, and competition (elements 3, 4, 9, 10, 11; Table 9) are activities which impact multiple stakeholders. TQ calls on managers to look at stakeholders differently. Take the major stakeholder of employees as an example. Management is reluctant to recognize that employees are not causing most of the problems in the workplace. Most of the problems are with systems and processes which management owns and controls. Managers have learned to 'take action' against employees for performance variations which are completely within the confines of the system in which they are working. The point is that requiring managers to 'unlearn' this phenomenon is only moderately workable because it is difficult for many managers to understand. Summarizing with metaphors: TQ is a beacon showing leaders and managers the way, but it is a blinding beacon; and it is a path towards improved performance, but only a skilled navigator can negotiate its roadblocks and potholes.

TQ is only moderately workable because years of misunderstanding and misapplication by managers and workers have created harmful associations. For example, quality circles proliferated for a few years in the 1980s, but did not deliver the expected results. Part of the problem was because managers ignored the recommendations of quality circles, looking at them more as harmony-builders in the workplace (Ban, 1995). A similar stigma arose through misunderstanding and misuse of process action teams (PAT). Managers thought that everything had to be done by a PAT. They fiddled and tampered with things that did not require teams, and continued to do the important things

in the same old way. Similarly, participative management was misconstrued as relinquishment of authority and accountability. These 'failures' have generated frustration among participants and executives. TQ contains success stories, yet continues to encounter persistent resistance. Parts of the framework are difficult to understand, and harmful associations limit its workability.

The framework is moderately realistic given constraints because it provides a logic and a process to deal with many organizational constraints. For example, the 'harmful' constraint of work standards or quotas in the workplace can be overcome to some extent by using TQ. Given that standards can be inappropriately set based on managerial intuition (i.e., increase production by X%, or decrease accidents by Y%), TQ provides a way to moderately deal with this tendency. It uses the model of a process, and data analysis to determine if a standard is *outside* or *inside* a historical system. The former means that a proposed standard would not likely be met unless management changes the system. The concept of determining standards using statistical data analysis is difficult to understand and implement. Statisticians are resources not typically available to many bureaus. Another limiting factor is that executives and managers tend to be promoted on their ability to solve short-term problems, not on changing the system.

The framework is only moderately realistic because it says to eliminate various constraints, i.e., diseases and obstacles (Table 10), but is unclear about how to accomplish this. Workable alternatives are not obvious. For example, TQ says that constraints such as annual performance reviews and mobility of top management are harmful, but it does

not clearly address how to evaluate individual performance, how to deal with problem employees, or how to handle the problem of job-hopping executives. In other words, even if performance appraisals are inaccurate, subjective, and bad for morale, they are still a tool for evaluating and promoting employees. TQ says to promote based on performance, to eliminate individual and inter-departmental competition, and to replace the performance appraisal system with leadership. If budgeting systems force departments to compete for resources, and appraisal systems force individuals to compete against each other, then application of TQ principles are only moderately realistic.

The TQ framework is highly comprehensive from a systems perspective. It covers more aspects of organizational behavior than any of the other frameworks. All of its elements link together into a systematic, comprehensive whole. It deals with multiple pressures of modern work and home life. It is a comprehensive management system incorporating philosophy, leadership, vision, strategy, skills, resources, and rewards. It calls for sweeping transformation from 'superstitious learning' to a new philosophy. It concentrates organizational focus towards customers, employees, suppliers, process improvement, and long-term perspectives. It is the foundation from which all of the other frameworks originate.

The TQ framework is not very capable of providing explicit measures of organizational performance. Other types of measurements are addressed such as statistical process control and fact-based decisions based on analysis of data. Its emphasis on understanding variation in all things is based on measuring whether events are outside or

inside a system. The overriding reason for the low score is that the framework does not explicitly address how to measure performance. As previously expressed, it is the penultimate comprehensive framework for improving organizational performance, but it does not provide ways to measure how performance is improved. For example, it does not provide a means whereby an organization can tell if it is: adopting the new philosophy; instituting leadership; driving out fear; removing barriers to pride of workmanship; or taking action to accomplish the transformation (elements 2, 7, 8, 12, 14; Table 9). In summary, TQ is *the* philosophy for improving organizational performance, but is *deficient* in providing ways to *measure* performance.

7. Analysis of the Baldrige Framework

The Baldrige framework best satisfies all four criteria, in that it is: (1) highly workable in a political, pluralistic environment; (2) highly realistic given constraints; (3) highly comprehensive from a systems perspective; and (4) highly capable of providing explicit measures of organizational performance. The President's Quality Award (PQA) is the federal version of the Baldrige because it applies specifically to government organizations. The PQA uses Baldrige criteria almost exclusively. The Baldrige and the PQA are considered here to be synonymous. The PQA, however, is administered within a political environment for federal organizations through the Office of Personnel and Management. The Award criteria are 'non-political' because they were developed and are

improved upon by a cross-section of private and public sector quality experts. The Award is recognized and supported both by Congress and the Executive branch, and is widely recognized as the highest award for organizational excellence in the country (Brown, 1995). In summary, the framework is highly workable in a political environment partly because it springs-from and exists-within a political framework.

It is also highly workable in a pluralistic environment because applicants must demonstrate that they systematically consider the views of all stakeholders including customers, employees, unions, suppliers, competitors, the public, the environment, and the local community. For example, in the *strategic planning* category (element 3, Table 19), a bureau must describe how it considers customer-driven values and expectations, technological and societal risks, and supplier and partner capabilities in its strategic planning. In the *human resource development and management* category (element 4), a bureau must address how its human resource planning considers all aspects of designing and managing systems to meet the needs of both the organization and its employees, including partnerships with educational institutions and unions.

The framework is highly realistic given constraints because it is based on non-threatening, incremental improvements which are derived from inputs of all stakeholders. *Senior leadership* (element 1) must demonstrate how it improves its own system of leadership based on employee and customer feedback. This is designed to deal with the constraint of top-down, autocratic leadership. Consider constraint examples of a climate of fear, and resistance to change characteristic of bureau cultures (Table 3). The

framework requires a bureau to describe how it maintains a work environment and climate conducive to employee well-being and development. In other words, a realistic way to deal with low morale and fear in the workplace is to actively maintain a safe and healthful work environment. Not only must a bureau demonstrate that it does these things, it must also provide measures and indicators summarizing its *human resource results* (element 6), including employee development, and indicators of employee well-being and satisfaction.

The framework can be tailored to organizational constraints. It can be implemented on a small-scale if slack resources are limited, or if the organization is not mature in its quality efforts, or if it has new leaders. Similarly, if a new executive or manager joins an organization already several years into quality initiatives, then the new manager can add his or her expertise to the ongoing process without disruption.

Little or no consultation is necessary to implement the Baldrige process because explanatory literature is easy to obtain and understand. Organizational self-assessment can be accomplished by obtaining an application package and following the instructions. Information about what to do is also available by contacting award winners (38 as of 1996), conducting site visits, or reading their case studies. A precondition of winning the Award is that details about successful practices must be shared with any who ask.

The Baldrige framework is workable and realistic because it 'piggybacks' on previous quality efforts. Personnel knowledge and expertise gained from years of quality efforts can be crossed-over into the Baldrige process. Prior quality accomplishments are

not lost, only transferred into a process that is easier to understand, apply, track, and measure.

The framework is also highly workable in a political environment because the criteria are non-prescriptive. There is no right or wrong method. There are many ways to approach and deploy quality efforts, and many ways to demonstrate results. For example, one requirement is to demonstrate how customer needs are translated into product and service design requirements (*process management*, element 5). There are many ways to obtain input from customers and to translate that input in product requirements. What is being evaluated, and the point of many of the criteria, is that an organization *has* a method for systematically listening to customers and translating that information into its products and services. *How* a bureau accomplishes the intent of the criteria is up to the organization. Another example includes the extent to which *senior leadership* is personally involved in creating and sustaining a customer focus (element 1). *How* the leadership accomplishes this, and *how* it improves its own system of leadership can be approached and deployed in numerous ways. The framework is highly workable and realistic because a bureau has a wide latitude both in choosing how it accomplishes the criteria, and in choosing how it displays its approach, deployment, and results.

The framework is highly comprehensive from a systems perspective and highly capable of providing explicit measures of organizational performance. Examples of the extent to which the framework comprehensively addresses multiple aspects of organizational performance are evident from the preceding paragraphs. The framework is

extremely thorough and systematic. Practically all the elements are linked to customers and other influential stakeholders, and all elements are measured. The framework comprehensively defines a quality system by including key elements of a quality improvement program, and indicating the relative importance and interrelationships of elements.

The framework contains a point distribution which indicates the relative importance of each element in an integrated quality management system. Nearly one third of all the points concern the measurement of *business results* and *customer focus and satisfaction* (elements 6 and 7). Using graphs and tables, bureaus must summarize results of improvements including operational and financial performance improvements. Key measures and indicators of performance are expected to cover a wide array of areas such as effective use of manpower, materials, energy, capital, and assets. Other areas include innovation rates and effectiveness, cost reductions through innovation, public responsibilities such as environmental improvements, cycle time and responsiveness indicators, and comparative data against agency best, best competitors, or best similar organizations within or outside government.

Other measures of performance include safety, absenteeism, turnover, and financial measures such as worker compensation cost or turnover cost reductions. Measures are meant to cover not only extent (i.e., percent of employees trained or hours of training per year), but also effectiveness. Results must be comprehensive and interrelated. In other words, the reported results derive from activities described in other categories, and results

should address all categories and types of employees. Results of supplier performance and performance improvement efforts must be addressed. The basic question being asked is if all processes and programs really work, and what is the evidence of improved quality and improved overall performance?

One entire category (*customer focus and satisfaction*, element 7) is devoted to measurement of customer satisfaction. Practically all of the other categories tie-in to this element. A bureau must describe how it determines near-term and longer-term requirements, expectations and preferences of customers and markets, and how it develops listening and learning strategies to understand and anticipate needs. Evidence must be provided on how an organization provides effective management of its responses and follow-ups with customers to preserve and build relationships. How a bureau determines customer satisfaction and customer satisfaction relative to competitors or similar organizations must be described. Finally, an organization must summarize customer satisfaction and dissatisfaction results, and should compare results with competitors or similar organizations within or outside government.

C. CONCLUSION AND GUIDELINES FOR LEADERS AND MANAGERS

1. Conclusion

Six major frameworks for improving organizational performance were analyzed in this study. The goal of selecting the framework which best satisfied four criteria was accomplished. The purpose of these final paragraphs is not to summarize over 100 different ways to improve performance which were described in the study in terms of elements, steps, points, attributes, and principles (Tables 9-21). The goal is to distill all of the elements about performance, and all that has been learned about the six frameworks into a few brief guidelines for leaders and managers. The guidelines sound surprisingly simple, but are not easy to accomplish. They are more concerned with *why*, than with *what*. Why change is so illusive. Why clinging to old paradigms is destructive. Why changing leadership and management is *the* penultimate framework for improving organizational performance.

Most of the elements in the six frameworks were simple and straightforward, i.e., steer rather than row; involve multiple stakeholders in planning; drive out fear; put customers first; and improve processes and measure outcomes. If the various beliefs and practices are so rational, then why is change so difficult? Why the enigma? The answer, distilled down to its most basic form has two primary elements: the speed and complexity

of change; and leadership. The former is like a breeder reactor that feeds on itself. Nobody knows how to put change back in the bottle. The latter concerns leaders who are the gateway for change. They call the cadence. They determine the speed and depth of rejection or acceptance.

The Baldrige framework has been identified as the approach which best satisfied all the criteria. Improving organizational performance is more complicated than applying a winning framework. It is contingent on the level of organizational maturity. **Managers must choose where they expend scarce resources to improve performance, based on where they are on a maturity continuum**. For example, an organization that has not yet begun quality efforts will be frustrated with attempting the Baldrige framework. Resources would be better spent elsewhere, i.e., training leaders, managers, and employees on total quality tools and techniques, or using consultants to build mission statements and strategic objectives. Similarly, an organization reeling from downsizing and budget cuts may have insufficient resources to devote to the Award process. Writing the 60-page application alone requires dedicated, knowledgeable, and talented personnel.

On the other hand, an organization that has demonstrated a level of quality maturity can more easily accommodate the Award process. **To be clear, the idea is not to win the Award. The idea is to first determine the level of organizational maturity, then to apply quality concepts and techniques contingent on maturity level and organizational capacity. The Award should not be the primary goal, but the *vehicle* to systematically improve and measure performance.** In the early stages of using the

Award process, a self-assessment can be conducted to identify the level of quality maturity. As the organization matures, it can begin to compare itself with competitors and with other leaders in its field. Finally, a bureau can both improve its performance, and measure that improvement with one major framework. No other framework can do that.

2. Guidelines

The first and most important guideline learned from this study concerns leadership. I know, you've heard it before. If leadership is so important to improving performance, and if so many books and articles have been written about it, then what else could possibly be said? Well. The problem is not lack of information, the problem is that leaders have not understood and adapted to the complexity and rate of change of our world.

The third revolution in the history of civilization is happening before our eyes: first the Agrarian Age from 8,000 BC to the late 1,600s, then the Industrial Revolution, and now, in the last two decades, we have leaped into the Information Age (Toffler, 1980; Drucker, 1990; Kanter, 1992; Pritchett, 1996). Global change is ubiquitous and is transforming the workplace. Unless organizational leaders and managers figure out what is really going on and why, they will continue to react in ways that cause problems, and damage the organizations that they are trying to improve.

It is a commonplace that employees are better educated than they were fifteen or twenty years ago. Practically everyone now can communicate and share knowledge

throughout an organization and across the globe through personal computers, local and wide-area networks, cellular phones, and fax machines. So why are leaders still commanding and controlling? **The guideline is that commanding and controlling people is not conducive to improving organizational performance.** It may have worked during the mass production era into the 1950s and 1960s when American industry and management techniques enjoyed monopolies. Europe and Japan recovered from World War II and have become fierce challengers. Asian, and South American nations are in direct competition with American manufacturing and service industries.

The point is that many leaders, particularly in bureaus, are still operating from a military metaphor of command and control. Command and control yields compliance, obedience, and fear; all of which stifle innovation. Without innovation and continual improvement of products and services, organizations and individuals adapt too slowly to compete. Organizations unable to compete in a global marketplace are subject to extinction. I am not saying that the work of bureaus will be totally replaced by firms. Bureaus who do not adapt, however, will gradually shrink and diminish, eroded away by competition. The protective, Cold-War mantle is gone. Mediocrity is exposed. **The guideline is to adapt in time, or become a vestige.**

The guideline calls for a different kind of leadership, one that **instills trust throughout the workforce and the community; anticipates and handles crisis by ensuring innovation and continual renewal; and transforms itself from boss, to counselor, teacher, mentor, coach, and facilitator.** Profit and efficiency are important,

but they are not the true bottom-line. The real ingredient for improving performance concerns people. A leader who does not ethically deal with the problems of people will not improve the multiple aspects of organizational performance. Fewer and fewer employees are coal miners, telegraph operators, and farmers. They are airline pilots and mechanics, medical technicians, engineers, computer programmers and fax machine workers, electricians and electronic repairers. They have more and they expect more. They have an education, a home, cars, a personal computer, microwaves, color TVs and cellular phones. They expect to be treated as adults. They expect their leaders and managers to exemplify ethical behavior. They recognize the hollowness of Positional authority. **It is not what the leader or manager says that counts, it is the depth to which their value system is believed, personified, practiced, and communicated throughout the workforce**. Leaders still struggling with this concept need to recognize this guideline: **you can command them, and you can control them to a degree, but this will not inspire them. Without inspiration, or at least dignity, they will not put forth their best efforts**. People perform best when there is mutual trust and respect, a 'new' idea that goes back two thousand years.

The following additional guidelines also apply to leaders and managers. **Recognize that management owns the systems and processes, and may be responsible for most of the problems, therefore work towards, and provide incentives for everyone to improve the system. Understand that the performance appraisal system subjectively ranks human beings, and can therefore instill anger**

and distrust, which degrades performance. Communicate openly and often with employees about the limitations of the appraisal system. If they are to be ranked, then they must be told on a regular basis how and why. Remember that all human activity contains unavoidable variations, and recognize that the failure to understand people is the devastation of Western management (Deming, 1986).

Managers are like door hinges, fulcrums, and conduits. Organizations *turn* based on what managers believe and practice. They *pivot* in new directions based on what managers say and do. Managers can *clear obstacles*, or *become roadblocks*. It is easy to say, "listen to employees and customers." It is more difficult to **do the following: solicit input on a systematic basis; document and understand customer and employee concerns; feedback to customers and employees the concerns which they identify; feedback what actions will be done; take action; systematically determine the level of improvement, then do it all again. In summary, continually improve the system of listening to all stakeholders, and ensure that information is used to continually improve products, services, and individual and organizational performance.**

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